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FBIS-SOV-94-204 21 October 1994

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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CIS Heads of State Summit Previewed

LD2010184294 Moscow INTERFAX in English 1600 GMT 20 Oct 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The CIS heads of state are due to hold a summit meeting in Moscow on Friday with President Boris Yeltsin chairing it.

Although the summit was to take place in Sochi early last month, President Yeltsin insisted on rescheduling it by four weeks to help analyze proposals from other CIS states for further CIS integration.

Most of these tackle ways of how to implement the economic union agreement signed early this year. The CIS leaders will discuss the formation of a payment union and transformation of an economic cooperation commission they set up at the previous summit into a more effective and more authoritative body—a CIS economic committee.

The two papers were initialled by the prime ministers of ten CIS states (except Azerbaijan and Turkmenistan) on September 9.

Under the proposed agreement on a CIS economic committee, Russia is bound to cover half of the cost needed for the new body's upkeep in exchange for 50 percent of the vote in any decision making on the economic union.

Ukraine is entitled to 14 percent with Belarus, Kazakhstan and Uzbekistan having 5 percent each. But only 3 percent of the vote is allotted to the rest of CIS states.

Any decision by the committee's leading bodies (the presidium and collegium) on matters such as customs and monetary unions, common market of goods, services, capital and labor or strategic problems is to be taken by consensus.

75 percent of the vote is needed to pass resolutions on matters such as quotas, currency reserves, new financial funds and so on.

The committee, a permanently working executive body of the economic union, is accountable to the Councils of CIS Heads of State and Prime Ministers, both of them based in Moscow.

The committee is to be vested with supervisory and executive functions within the framework of powers delegated by the signatory states.

One of its main functions is to oversee the implementation of decisions by the councils of CIS presidents and prime ministers. But most CIS states were opposed to a proposal made during the discussion of the draft for the committee to be vested with powers to bring sanctions against signatories found in breach of the economic agreements.

The main directions of committee activity are:

—the formation of an economic union by creating mechanisms of payment, customs and monetary unions, a free trade area and common market of goods, services, capital and labor.

—support for private enterprise and assistance to promotion of common market infrastructures such as transnational associations, financial-industrial groups, financing, crediting and insurance companies and joint ventures.

—elaboration of coordinated decisions on social issues of common interest. IF Note: Russian officials say the committee will perform only the functions delegated by signatory states. Russian Vice Premier Aleksandr Shokhin who is also in charge of the CIS coordinating committee tried to dispel fears by some CIS leaders saying the new body could turn into a supranational structure. He said the question is not of one of a reversal to the 1991 economic committee that existed when President Gorbachev was in office. Unlike that committee which operated as a new Soviet government, he said, the new committee will operate along the same lines as the European Union Commission.

Many say Azerbaijan and Turkmenistan will not sign the agreement while Ukraine may do so but with conditions. The Azeri parliament believes the agreement amounts to the loss of the country's sovereignty. For its part, Ashkhabad [Ashgabat] prefers bilateral contacts to any other forms of cooperation.

The main aim of the payment union the draft of which was initialled by the CIS prime ministers except Ukraine is to ensure currency convertibility in remitting pensions, benefits, compensation or any other socially-related payment. The agreement will help commercial bank representatives of the signatories to the payment union to settle accounts and provide credits on an inter-republican level.

The signatories are bound to stick to uniform currency rates for all types of foreign trade operations and coordinate measures at backing up their currencies.

The national banks will use special stabilization funds made up of hard currency and precious metals to regulate currency exchange rates. The currency market of any signatory state must be open to all other signatories.

The agreement envisages the setting up of a CIS currency committee as well as the database of a CIS bank founded a year ago.

The signatories are committed to step up contacts in an effort to resolve the payment crisis and introduce bills of exchange in order to reduce the volume of barter deals.

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The CIS heads of state are also expected to discuss two memorandums relating to the prospects of CIS development and a longer range plan for CIS integration.

The two papers provide for the gradual formation of a CIS economic space based on market relations with CIS presidents expected to help assist the process over a shorter and medium range prospect.

As a shorter range prospect, the main attention will be focused on the creation of a customs union aimed to remove trade barriers between the signatory states.

The formation of a CIS security system based on the collective defences agreement is also seen as a priority task. If implemented, this will help set up a common military-strategic space and conditions for cooperation in the manufacture of military hardware and standardization of weapons.

The memorandum envisages further unity in the protection of CIS borders and joint peacekeeping operations.

The CIS peacekeeping force is designed to respond quickly to events little short of the use of force, though measured and proportionate, within the framework of international law and on the basis of a U.N. mandate. IF Note: Both the memorandum and plan were initialled by the prime ministers of CIS states except Azerbaijan and Turkmenistan. Kishinev [Chisinau] also signed them but on condition of non-involvement in any military-political plans of action. Ukrainian PM Vitaliy Masol pledged his country's participation albeit with an eye on its own legislation.

The tentative agenda includes Kazakh President Nursultan Nazarbayev's proposals, made in early June, that a Eurasian Union of States be set up.

Under his plan a treaty on establishment of the union would provide a legal and organizational framework for closer integration leading to an economic, currency and political union. No association membership in the union would be allowed.

States engaged in hostilities against one another would not be admitted.

Nazarbayev believes that the existing structure of CIS bodies does not make it possible to use the integration potential to the full. He believes that political institutions wielding considerable power are essential to make economic integration a feasible proposition.

One such transnational institution would be a EUS parliament, the top advisory and consultative body whose members would be delegated by national parliaments, each nation being represented by the same number of deputies, or elected directly. The EUS parliament would coordinate the national legislations with a view to establishing a common economic space and protecting individual and social rights. Under the plan, decisions adopted by the EUS parliament would come into effect following their ratification by national parliaments.

The draft, sent to CIS heads of state, calls for the setting up of numerous transnational economic bodies such as an economic commission reporting to the Council of EUS heads of states and working out guidelines on economic reforms; a commission on raw commodity resources in exporting EUS member nations which would approve the prices and quotas of the exported commodities and fuels and coordinate the policy in the mining and sales of gold and other precious metals. A EUS investment bank and a commission which will work on introduction of a currency used in inter-state transactions (a EUS ruble) will be set up.

According to Nazarbayev's plan, a joint defense area would be set up and defense activities coordinated. For this purpose a treaty on joint activities designed to raise the standards of the national armed forces and protection of EUS external borders would be signed, joint peacekeeping forces formed and the UN Security Council asked to give those forces the status of UN peacekeeping units.

A citizen of any EUS member state would automatically acquire the citizenship of another EUS member state where he or she moves.

Russian is expected to be the EUS official language and a city close to the border between Europe and Asia such as Kazan or Samurai, its capital. IF Note: Nazarbayev announced his initiative at the end of last march when he visited Moscow. CIS leaders with the exception of Kyrgyz President Askar Akayev who wholeheartedly supported the proposal had reservations about the plan. The idea was not discussed at the April CIS summit. Experts do not expect most CIS leaders to change their attitude despite Nazarbayev's assurances that the EUS is only an additional integration structure rather than an alternative to the CIS.

The CIS summit will discuss a draft convention on the rights of members of national minorities. The draft was worded by CIS foreign ministers who met in Moscow last June. The document emphasizes that it was essential because members of national minorities whose rights have to be protected stay within each country that has signed the Convention.

The draft gives a precise definition of members of national minorities and outlines their rights. Civil, political, social, economic and cultural rights and freedoms will be guaranteed to all members of national minorities in line with generally accepted international standards.

All the signatories of the document will undertake to eliminate any kind of discrimination against ethnic minorities on their territories.

The convention will enable the national minorities to take part in the social and state life, especially on the regional level.

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The national minorities will have the right to set up educational, cultural and religious centers in order to preserve and promote their ethnic, linguistic, cultural and religious identity. These centers will enjoy the rights usually accorded to such organizations, notably as far as access of public buildings and mass media is concerned.

The signatories of the convention will undertake not only to enable members of national minorities to receive education in their own language but to set up and finance various educational institutions.

The signatories will acknowledge the right of members of national minorities to use their mother tongue orally and in writing, have access to and disseminate information in that language and to set up mass media using that language. IF Note: The draft has been initialed by all members of the CIS Council of Foreign Ministers other than representatives of Turkmenistan, Uzbekistan and Ukraine. Experts say that Ukraine is likely to change its mind and sign the document.

The summit will also discuss an inter-state program of events commemorating the citizens who died in defending their Motherland and victims of the 1941-45 war. Under the program, an inter-state coordinating center will supervise the search for the remnants of the war dead, publication of Books of Memory and bulletins with lists of the war dead, taking care of the graves and cemeteries, burial of the remnants, tracking those who were lost in action, processing archive documents, etc. The program covers the period of 1994-95. IF Note: Experts do not doubt that all CIS leaders will take a positive view of the document.

Another issue to be discussed is representation of the CIS in international organizations and meetings. A draft on this subject calls for coordination of actions of CIS member states on international issues of mutual interest. A CIS official will represent the Commonwealth in international organizations.

The draft emphasizes that it does not infringe on the right of CIS member states to participate individually in the activities of international organizations.

The decision to extend the mandate of the CIS peacekeeping force in Tajikistan until the end of 1995 will become the most important and tangible step in the military political sphere.

The leaders of the countries which signed the 1992 Tashkent Collective Security Treaty, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

The peacekeeping force that was deployed in line with the decision taken by the Council of Heads of State on January 22, 1993 includes Russian, Tajik, Uzbek, Kazakh and Kyrgyz units.

The Tajik leadership admitted that Russia carried the main burden of the operation.

Russian Defense Minister Pavel Grachev intends to submit a report calling for a more equitable way of financing the CIS peacekeeping missions. Now Russia covers all their expenses.

The Moscow summit is viewed in Armenia as an important working meeting aimed at working out and consolidating efficient cooperation mechanisms within the Commonwealth, Levon Zurabian, an aide to the Armenian president, told Interfax. He said that Armenia will not call for discussion of issues that are not on the agenda of the meeting.

Asked about the possibility of a meeting of the Armenian and Azerbaijani president s Levon Ter-Petrosian and Geidar Aliyev, he said that there was no understanding about this.

Ramaz Sakvarelidze, head of the political information service in the headquarters of the Georgian head of state, told Interfax that issues of special Georgian interests such as protection of CIS borders as well as the basic issues of the setting up of a payment union and an economic committee would be raised at the Moscow meeting.

The Georgian delegation is expected to raise the Abkhazian issue. Sakvarelidze did not rule out the possibility that the Georgian head of state would ask his CIS counterparts to step up activities designed to resolve the Abkhazian conflict.

Kazakh President Nursultan Nazarbayev believes that if an agreement on the setting up of an Inter-state Economic Committee is signed giving the committee supervisory and executive powers, the economic integration will at last start. In an Interfax interview he expressed the hope that if they did not make a specific decision on the Eurasian Union , the heads of state would instruct experts to work out proposals in time for the next summit.

"I expect that we will, finally, make a decision in the framework of an economic union of CIS member nations that will facilitate the reconstruction of a common economic space," Moldovan President Mircea Snegur told Interfax before flying to Moscow.

He believed that the documents, drafted by heads of governments, on the setting up of an Inter-State Economic Committee would be signed in Moscow.

He also hoped to sign with Boris Yeltsin an agreement on withdrawal of Russian troops from Moldovan soil.

Ukrainian President Leonid Kuchma will sign an agreement on the setting up of an Inter-State Economic Committee and a memorandum on economic integration but not a payment union agreement, Deputy Prime Minister Igor Mityukov told Interfax. He said that the signing of the document would not be backed up by the potential of the banking systems in Ukraine and other countries.

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Mityukov said that first bilateral relations had to be developed before a union could be formed.

He said that the government's macroeconomic stabilization program is designed to create a favorable environment for such a union. The program calls, in particular, for unification of the currency rate of exchange and improvement of the banking system. IF Note: Kuchma is expected to have a meeting with Yeltsin in order to discuss, in particular, the drafting of a bilateral treaty. At a Wednesday night meeting with editors of leading mass media Yeltsin admitted that there were problems in the final wording of the document.

CIS Summit Set for Progress on Economic Union

MM2010120594 Moscow ROSSIYSKIYE VESTI in Russian 20 Oct 94 p 3

[Article by Vladimir Pokrovskiy,. Russian Federation deputy minister for cooperation with the Commonwealth member-states: "Integration on the Agenda, Why the CIS Heads of State Are Gathering"]

[FBIS Translated Text] The next CIS summit, in Moscow 21 October, is of interest to everyone—both the public of the Commonwealth states and the international public. This is understandable: Before our eyes an attempt is being made to integrate a whole group of the countries which emerged quite recently on the ruins of the USSR. The special feature of the union or association—call it what you like—that is emerging under the new conditions is that it is being formed by states which have only just attained independence and sovereignty, not by states long accustomed to autonomy. What kind of formation will it be: similar to the Western one or resembling it only outwardly, while essentially being seriously different from it? It is too soon to answer this question. Just one thing is clear—centripetal forces in the former USSR area are starting their run and, sooner or later, in one form or another, they will create a commonwealth of countries firmly linked by common economic and political interests.

The heads of state plan to start by discussing the question of celebrating the 50th anniversary of victory in the Great Patriotic War, which we will mark next year. It is a festival not just for Russia alone but for all the CIS countries. It is proposed to discuss how jointly to mark and perpetuate the memory of those who died for freedom from fascist slavery, to create appropriate funds, to carry out the burial of those who fell in the great battle and have not yet been properly buried, and to undertake other measures. It is perfectly obvious that these decisions, which are important to all our peoples, will find full approval with them.

A second range of issus relates to the most urgent and complex question—the strengthening of the CIS countries' economic union. The states' leaders will examine a draft memorandum clearly expessing their position: We are moving toward all possible development of economic cooperation and economic integration. At the same time cooperation must embrace humanitarian, social, cultural and scientific spheres. Of course, the ensuring of collective security, the fulfillment of the peacekeeping forces' tasks, and other actions in the defense sphere must be a commn concern.

A plan of integration measures will be adopted at the same time as the memorandum. The former deals in detail with those measures which the union's members will have to take in the very near future to achieve the goals outlined in the memorandum, including economic integration. They provide for the creation of such economic institutions as a customs union, a payments union, and a currency union. Social measures will take up a lot of space in the plan: People must have the opportunity to move about freely within the Commonwalth, whether we are talking about workers or pensioners, to make socially significant payments, and to enjoy other rights.

Special attention is devoted to the sphere of scientific and technical cooperation as one of the elements holding the economic union together: An interest in technological and scientific-technical progress has been at the core of all international, interestate integration groupings, particularly in the modern period. The memorandum provides for measures to develop cultural ties, to ensure collective security, etc.

I would like to draw attention to the summit participants' intention to set up an Interstate Economic Committee as a permanent union body. This is already the third attempt to establish such an organ. It was first talked about in October 1991, when the treaty on the economic community was signed. It provided for the formation of such a committee possessing not only coordinating functions but also certain supranational powers economic management. A similar body operated for a second time after the breakup of the USSR until the creation of the CIS and elaborated some procedues for decisionmaking, for the states' representations, etc. It failed to develop. Nevertheless we have utilized that experience now in laying down the project for the new committee—as well as EU and CEMA experience, incidentally.

It is planned that the Interstate Economic Committee will take on the joint analysis and forecasting of economic processes in the CIS. Nothing like this exists now. Each state currently tackles the problem on its own. The pooling of efforts will undoubtedly have greater effect. The so-called councils created in railroad transport, the energy system, and other sectors wil step up their activities. Some of them will fulfill precisely supranational functions.

Finally, the committee will prepare all decisions to be adopted by the heads of state and government. They are now drawn up by temporary groups of experts, who come together and break up periodically, so that their makup is constantly changing. The return thus fails to

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correspond to the great effort. Provision is being made for experts to work on the committee on a permanent basis.

According to the plan, the committee is to combine both appratus and leadership functions. It will be headed by a presidium consisting of people with vice premier status. There will be a collegium of the states' representatives. It is known that many documents adopted in the CIS are not implemented. The repproaches are justified: Sometimes the situation changes abruptly and planned measures fall by the wayside, sometimes documents prove to have been poorly elebroated, etc. Monitoring of the fulfillment of decisions is now entrusted to the committee.

As can be seen, this is a major structure which requires highly qualified cadres and also a proper outward form. Of course it cannot yet compare with the bodies created in Europe or Latin America. But is is approaching them.

The heads of state also have to discuss the creation of a payments union. The nonpayment problem which for various reasons have swamped us are also holding up CIS integration. Take, for example, the mutual exchange of "soft" currencies. Nobody knows at what rate they should be exchanged. Some people try to establish them in a centralized manner. But this is not a way out of the situation: what is needed is a normal mechanism of quotations permitting free exchange on the currency exchange market, which also helps to establish the necessary rate.

Of course, each state that decides to join a payments union also takes on definite obligations: If its currency falls or rises more than was decided in advance, it undertakes the necessary economic influence to correct its rate or support its stability. I believe that the formation of the payments union—a very important structure which determines an economy's circulatory system—will commence with bilateral agreements. A draft standard document has already been approved by the heads of government, and treaties between individual countries are being prepared. Once their "critical" mass, let us say, has built up, it will be possible to proceed to the elaboration of a multilateral agreement on the exchange of currencies.

The interstate bank will takes its place in this important and complex process. It is necessary to create an international clearing center, mindful of the fact that a lot of cooperative deliveries are made within the CIS.

These are the key elements of the economic union. They will be followed by transition to a customs union. Right now we do not essentially have either political or customs borders with one another: The present crossing points cannot be regarded as such. But setting them up properly is an expensive luxury. It is more advantageous to create borders along the perimeter of the CIS and to conclude a customs union. The current agreement on free trade is an intermediate stage toward it, which we too must go through.

The next step after the customs union is the formation of a currency union, similar to the one that exists in the EU. So we have a perfectly clear and definite prospect of movement.

The Moscow summit will also examine a convention on ensuring the rights of persons belonging to ethnic minorities. Very many people of various nationalities have now ended up "abroad." Their position cannot be ignored by the CIS countries' leaders.

The CIS' representation in the international arena is also of considerable importance: Who can represent it in international organization and to what degree? The Moscow meeting will also answer these and other questions.

Many people have probably noticed that the heads of state are meeting on this occasion an appreciable time after the talks among the CIS countries' heads of government. Previously these conferences were held in tandem, as it were. But this time there was an opportunity to carry out additional detailed work on the documents elaborated by the heads of government. This saves time for the heads of state, who will not have to adopt decisions as they go along on ideas which have only just appeared, without in-depth analysis. They will have an opportunity to conduct a political debate without getting bogged down in details and to exchange opinions on questions which have accumulated between summits.

People in the West will also be closely following the course of the top-level talks. It is no secret that not everybody there takes an identical view of the new states' desire for integration. Some are rigidly inclined toward the "divide and rule" motto, and a struggle is being waged for spheres of influence in the CIS, particularly in the economy (oil, gas), and there are attempts, for example, to squeeze Russia out of the markets in the new independent countries. Others believe that it is important to preserve the useful seeds of integration in the former USSR area. Then this area can be come not a factor of destabilization in the world economic community but a factor in its development and strengthening. That section of the Western business world is interested in our traveling the path of integration more rationally and effectively. In any event the operating criterion for both sets of people is the conformity of the CIS integration process with market conditions. But the former advocate a "rigid" market and, at times, competition without borders, while the latter advocate compliance with the general rules of the game.

Of course, Western influence over the shaping of an economic union within the CIS should not be discounted. But it is not so great, just the same. It is up to those who now make up the Commonwealth to have the main say. Someone from outside is hardly in a position to shake their desire to pool efforts in economics and politics.

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Kozyrev: 'Vagueness' in CIS Relations Coming to End

LD2010171694 Moscow Mayak Radio Network in Russian 1600 GMT 20 Oct 94

[FBIS Translated Text] The period of vagueness in relations and in the essence of the future plans of the Commonwealth of Independent States is coming to an end. This was declared by Russian Foreign Minister Andrey Kozyrev at today's joint sitting in Moscow of the CIS countries' foreign ministers' council and the defense ministers' council.

Kozyrev Assigns Paramount Importance to CIS Summit

LD2010183394 Moscow INTERFAX in English 1755 GMT 20 Oct 94

[FBIS Transcribed Text] The Russian Foreign Minister, Andrey Kozyrev, is confident that the CIS summit opening in Moscow Friday will be of major importance for transforming the Commonwealth into an increasingly effective structure. He was a speaking at a joint meeting of CIS foreign and defense ministers Thursday. The meeting, he said, was the last of a series of activities within the "quite intensive preparations" for the summit.

"In fact, the period of uncertainty about the essence and future of the CIS and its integration is nearly at an end," Kozyrev said, adding that the creation of an Interstate Economic Committee and the payments union will give the Commonwealth more strength.

According to Kozyrev, the agenda of the foreign and defense ministers' meeting included strengthening the Commonwealth's part in the settlement of conflicts "in the CIS responsibility area," first of all in Tajikistan. Then foreign ministers discussed cooperation in consular activities. "This issue directly concerns the interests of thousands and millions of our compatriots," Kozyrev said.

Kozyrev Hails Results of Foreign Minister's Meeting

LD2010192894 Moscow ITAR-TASS in English 1833 GMT 20 Oct 94

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Shtorkh]

[FBIS Transcribed Text] Moscow October 20 TASS—"The CIS Council of Foreign Ministers (CCFM) has begun gaining momentum, and has accumulated experience of considering questions promptly," Russian Foreign Minister Andrey Kozyrev said today. Kozyrev was summing up the results of the CCFM session at a press conference in Moscow.

According to the Russian minister, during the session a constructive discussions were held and draft memoranda on "main provisions of the integrational development of the CIS" were approved. On Friday these documents will be put on the table of heads of state, who will assemble in the Kremlin.

Participants in the session paid considerable attention to the "consular interaction which might make lives of hundreds of thousands of people in the CIS countries easier". "At last discussions on questions of representation of the CIS in international organziations were held," the minister noted. "A step has been taken in this direction, to enable the CIS to participate in the international life on more wide basis," he said.

Foreign Ministers Agree on Memorandum of Integration

LD2010215394 Moscow ITAR-TASS in English 1922 GMT 20 Oct 94

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Shtorkh]

[FBIS Translated Text] Moscow October 20 TASS—"We have agreed on all issues which were on the agenda of today's meeting of the Commonwealth Council of Foreign Ministers," Gennadiy Udovenko, head of the Ukrainian foreign office, told journalists after the meeting.

According to him, all these issues will be submitted for consideration to the heads of state of the Commonwealth who are due to gather in the Moscow Kremlin on Friday.

The Ukrainian foreign minister believes that the main issues include the memorandum on "basic directions of the integration process in the Commonwealth" and a perspective plan of actions for its implementation.

The memorandum, he noted, contains a number of provisions which are diversely interpreted by different member states of the Commonwealth. However, in the course of the discussion the majority of such controversial issues were agreed and the document was approved. At the same time Hennadiy Udovenko stressed that in implementing this memorandum it would necessary to "take into account all amendments and remarks expressed by the sides."

Touching on the content of the memorandum, the Ukrainian foreign minister noted that it was of a large-scale character and concerned the issues of collective security, citizenship and cooperation in the economic sphere.

"It is difficult to achieve an agreement on such a wide range of issues at once: it is necessary to work on them and further develop them," Hennadiy Udovenko emphasised.

Kuchma Comments on CIS Summit Goals

LD2110103494 Moscow ITAR-TASS in English 0958 GMT 21 Oct 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

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[FBIS Transcribed Text] Moscow October 21 TASS—"Ukraine's stand at today's CIS summit is very simple. It is most important for us to finally get down to work," ITAR-TASS was told by Ukrainian President Leonid Kuchma, who arrived in the Russian capital today to attend the CIS summit. "The documents, which we are to sign," he added, "must really yield results, primarily in the economic sphere, since this is expected by all the CIS nations".

Kuchma noted that Ukraine shared the views of other CIS states that they needed an inter-state economic committee and a payments union. "As far as I know, we have no special approach to the problem," the president said, recalling that Kiev had initialled the agreement on an inter-state economic committee and had called for the creation of a payments union. "However, there are very many underwater reefs and, therefore, it is necessary to work out an effective mechanism for implementing the agreements," he noted.

Touching on his upcoming meeting with President Yeltsin, Kuchma noted that it would be the first official meeting of the two presidents. 'We shall not be able to make progress without adopting political decisions. Hence, I expect to be understood by the Russian president," he stressed.

Touching on the Black Sea navy problem, Kuchma said that "there are problems linked with it that are real stumbling blocks even for experts". "We adhere to the stand," the Ukrainian president added, "that Ukraine is an independent state and that the integrity and inviolability of its borders is of prime importance."

Nevertheless, the problem exists, and "it is not as easy to resolve it as it seemed". "I am convinced that Ukraine has lost much by failing to adopt a decision last spring, when Russia was ready to meet it halfway," the Ukrainian president said. "Looking back today, I realise very well that this was a mistake."

Kuchma said that problems linked with Ukraine's debt to Russia would be surely settled.

Yeltsin Opens CIS Heads of State Council Session

LD2110090494 Moscow ITAR-TASS World Service in Russian 0825 GMT 21 Oct 94

[By ITAR-TASS correspondents Anna Melnikova and Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 21 Oct—The latest session of the Council of the CIS Heads of State opened today in the Kremlin. It is being attended by the heads of state of all 12 Commonwealth member countries. The session was opened by Russian President Boris Yeltsin.

He particularly welcomed the presidents of Belorussia and Ukraine, Alyaksandr Luskashenka and Leonid Kuchma, who are attending a session of the Council of Heads of State for the first time.

The Russian president said that "a desire for integration can be clearly discerned" in the Commonwealth countries.

There are 10 items on the agenda. The focal problem facing the meeting is to invigorate the processes of integration in the CIS. It is planned, among other things, to set up a first supranational body—an interstate economic committee. It is also planned to review a number of political and military questions, as well as reach an agreement on joint celebrations of the 50th anniversary of the victory over fascism.

Boris Yeltsin and Leonid Kuchma are planning a separate conversation within the framework of today's meeting.

The Russian delegation to the session, which is headed by President Yeltsin, comprises the head of government, Viktor Chernomyrdin; Foreign Minister Andrey Kozyrev; and Defense Minister Pavel Grachev.

Vladimir Shumeyko, chairman of the CIS interparliamentary assembly, chairman of the Federation Council, is also taking part in the work of the session.

Yeltsin Stresses 'Integrational Potential'

LD2110113694 Moscow ITAR-TASS in English 1119 GMT 21 Oct 94

[By ITAR-TASS correspondents Gennadiy Yezhov, Anna Melnikova, and Andrey Serov]

[FBIS Transcribed Text] Moscow October 21 TASS—"It is extremely important today to make use of the CIS integrational potential," Russian President Boris Yeltsin told the CIS summit in the Kremlin today.

He recalled that the CIS leaders had noted during their last summit that the Commonwealth was switching over from centrifugal to integrational tendencies. Yeltsin said that the Commonwealth was characterised by a high-level of integrational ties, by the integration of its populat ons, by the community of cultural, informational and linguistic traditions. "This is our common treasure and we have no right to squander it," he noted.

According to the Russian leader, "It is extremely important today to make use of this potential, to draw on the will for integration, and not to scatter the forces on many projects at a time". Yeltsin believes that it is now necessary to focus the efforts on areas where a definite measure of agreement was achieved and to create the necessary "organisational and legal foundations".

World experience shows, the head of the Russian state pointed out, that formation of a common market and single economic space is the most solid foundation for integration. "We have made an important step in this direction" Yeltsin stressed, "by signing the Economic

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Union Treaty in 1993. This union was to ease the life of our peoples, to help us overcome the crisis, but today nobody is satisfied with the state of economic interaction within the Commonwealth of Independent States." The Russian president noted that "trade turnover between the CIS countries is plummeting and the payments crisis is becoming increasingly acute".

Moving to go over to the discussion of the summit's agenda, Yeltsin said that its participants would, perhaps, have to discuss today some amendments to the CIS charter in order to adopt really effective decisions.

Holds News Conference on Summit Results

LD2110124594 Moscow ITAR-TASS in English 1224 GMT 21 Oct 94

[By ITAR-TASS corespondent]

[FBIS Transcribed Text] Moscow October 21 TASS—The signing of a memorandum on basic orientations of the integrational development of the Commonwealth of Independent States (CIS) and the establishment of an interstate economic committee are the main results of the CIS summit held here on Friday, Russian President Boris Yeltsin, who presided over the summit, told a news conference in the Kremlin.

Appraising the results of the summit, Yeltsin pointed out that "A discussion of whether the CIS needs integration has been completed" and the CIS will follow the road of the European Union, for all its peoples are interested in integration.

As for mechanisms to ensure an economic union, they have been elaborated in decisions on the formation of a free trade area and in other signed documents, Yeltsin said.

The CIS leaders also concluded an agreement on the establishment of a payments and customs union.

"If we quickly get down to implementing the agreements and strictly comply with them, our peoples will come to feel this soon," Yeltsin said.

In addition, CIS leaders coordinated measures to ensure the rights of members of ethnic minorities.

At the same time, the Russian president admitted that discussion of an economic union revealed dissimilarities of views. "One should not regard this as a split or crisis of the CIS, for the CIS is a community of free, independent states, where the will of each state is respected," Yeltsin emphasised.

Defense Ministers Prolong Peacekeepers' Stay in Tajikistan

LD2010152794 Moscow ITAR-TASS in English 1450 GMT 20 Oct 94

[By ITAR-TASS correspondent Vadim Byrkin]

[FBIS Transcribed Text] Moscow October 20 TASS—The Council of the CIS Defence Ministers decided on Thursday to prolong the stay of CIS peace-keepers in Tajikistan, which mostly consist of Russian troops, for another six months.

The term had to expire in the end of the year, but now the presence of the peace-keepers was okayed until June 30, 1995.

At the same time Russia failed to talk other CIS countries to join it in the peace-keeping operations in Abkhazia. TASS was told at the press centre of the CIS military coordination headquarters that the meeting of defence ministers chaired by Russian First Deputy Defence Minister Boris Gromov "failed to solve the problem of military participation in peace-keeping operations in Abkhazia of other CIS countries together with Russia".

Only Turkmenistan agreed to send a company to Tajikistan, while Armenia, Kazakhstan, Kirgizia [Kyrgyzstan] and Uzbekistan may dispatch only military observers to the conflict zone.

The issue will be again raised at a joint meeting of the CIS defence and foreign ministers and at the summit of heads of state on Friday.

Defense Ministers Back CIS Peacekeepers for Abkhazia

LD2010172994 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] CIS Defense Ministers have backed a proposal to send state peacekeeping contingents to the zone of the Georgian-Abkhazian conflict, Interfax was told by a delegate to the CIS Defense Ministers' meeting, taking place in Moscow on Thursday behind closed doors.

The officer, wishing to remain anonymous, said the defense ministers refused to say definitely what number of servicemen they will send. It is expected the problem will be solved by the heads of the CIS state at their summit in Moscow on October 21.

The officer said that Russia was interested in an allied battalion being sent. If the unit is formed it will be sent to the Kodori Gorge in Abkhazia.

According to the officer, Russia is interested in the earliest possible sending of 'blue helmets' from other CIS countries to Abkhazia. In this way the operation would have an international status. At present only Russian peacekeepers are operating in the zone of the Georgian-Abkhazian conflict.

The officer said that the CIS defense ministers backed the proposal by Tajikistan's leadership to extend the presence in the republic of CIS allied peacekeeping force. In line with Tajikistan's wish, the defense ministers

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agreed to keep Valeriy Patrikeyev at the post of commander of the peacekeeping force. The presence of the peacekeepers and their commander in Tajikstan was extended to June 30. The problem is to be finally solved by the heads of the CIS states.

ITAR-TASS Carries Press Review for 21 Oct

LD2110083994 Moscow ITAR-TASS in English 0821 GMT 21 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 21 TASS—The Moscow-based press on Friday continues to comment on the murder of Dmitriy Kholodov, correspondent of the newspaper MOSKOVSKIY KOMSOMOLETS.

NEZAVISIMAYA GAZETA:

"The murder of a journalist in downtown Moscow has shown once again that the 'fourth estate' notion, just as, incidentally , the second and third ones, is just a fiction. Kholodov fell victim to politicians who strain after power, without stopping short of anything or anybody.

"The word of a parliamentarian or a judge is heard by dozens of people while the word of a journalist goes to hundreds of thousands and millions of people. This is what journalists are killed for"

NEZAVISIMAYA GAZETA, in another article on the subject, points out as follows:

"The murder of Dmitriy Kholodov has revealed not only the depth of the abyss of criminal terror, into which Russia continues to slide. The murder has also exposed the fact that, notwithstanding the nine post-perestroika years, the power and society continue to live in their separate ways, without any contacts with each other..."

TRUD on the same subject:

"What has happened is our common tragedy. The murder of the journalist has shown ever more patently what an abyss society is falling into...

"But the main question remains: Why do bandits of every stripe evade punishment, why is corruption rampant, why are people afraid to go outdoors even in downtown Moscow?"

IZVESTIYA maintains that the Moscow counterintelligence service has data that Dmitriy Kholodov's office telephone was unlawfully tapped. "The Moscow department of the Federal Counterintelligence Service (FCS) does not undertake so far to say who exactly listened in to his telephone conversations".

Sergey Bogdanov, staff member of the FCS Moscow department, told IZVESTIYA that his organisation "has certain suspicions that Kholodov's office telephone was possibly tapped despite the fact that the authorities did not give an official permission for that".

A discordant note was struck by a statement issued by the air force press service. The statement, published in KRASNAYA ZVEZDA (Red Star), pointed out in particular as follows: "Different goals are pursued (by articles in the press and in MOSKOVSKIY KOMSOMOLETS, in particular - note by ITAR-TASS). What they press for is not to reveal Mercedes cars, tonnes of solid fuel, and not even an amount of Deutsche marks earned by someone. What they are after is primarily popularity, a notoriously scandalous one at that".

KRASNAYA ZVEZDA carries an interview with Admiral Igor Khmelnov, new commander of Russia's Pacific Fleet, who spoke of the fleet's problems.

"the fleet is living through not the best of times. An unsteady and insufficient financing still remains its most acute problem," Khmelnov said, emphasising at the same time that the Pacific Fleet is up to the demands placed upon it.

"Russia's Pacific Fleet is not just a costly symbol of Russian statehood but is a policy instrument which is of purely practical importance," the admiral said.

ROSSIYSKIYE VESTI runs an article by Sergey Glazyev, chairman of the State Duma Committee on Economic Policy, who maintains that "measures which are being taken by the government to meet its commitments under the treaty of social accord are obviously not enough.

"If we treat the idea of uniting constructive forces to overcome the crisis and promote democracy in real earnest, we should not engage in eye-washing. The idea of social accord is too serious to allow yet another political spectacle to be staged around it. This is, maybe, the last chance to save society from break-up and degradation and take the economy out of the crisis."

RABOCHAYA TRIBUNA carries the final installment of an interview with Federation Council Speaker Vladimir Shumeyko, who stated: "It is essential to find the core of the matter in all quests and arguments. As Lenin used to say, one most find a link by fulling which it is possible to extract the entire chain. [sentence as received]

"Which is the main link at the present stage? The possibility to find a strategy of the state in civil accord. We have got a unique opportunity to build the Russian state without a scuffle or civil war. Let us join hands in doing that".

PRAVDA runs a summary of an interview with Major General Vassiliy Yakushev, commander of the peacekeeping force in Abkhazia, who believes that an unorganised influx of Georgian refugees to Abkhazia would entail bloodshed. The refugee return process should be regulated and balanced. Otherwise, a war can again be brought on the shoulders of refugees, Yakushev said.

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UN Delegate Outlines Nuclear Disarmament Concept

LD2110090794 Moscow ITAR-TASS in English 0843 GMT 21 Oct 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations October 21 TASS—"Russian President Boris Yeltsin's initiative to conclude a treaty on nuclear security between the five nuclear nations and to promote strategic stability opens up prospects for the steady and predictable progress of all the countries of the world to a stable nuclear-free world in the 21st century," Russian permanent delegate on the United Nations Sergey Lavrov said on Thursday, addressing the first committee of the U.N. General Assembly (for disarmament and international security).

"In his statement to the current session of the U.N. General Assembly, the Russian president outlined the Russian vision of a programme of actions in the sphere of nuclear disarmament. This programme testifies to Russia's desire to embark together with other nuclear powers upon the road on reducing the role of nuclear weapons in ensuring security, to advance to the ultimate goal of scrapping all nuclear weapons throughout the world as envisaged by U.N. decisions and the Russian military doctrine," Lavrov said.

He noted that nonproliferation of mass annihilation weapons, primarily nuclear armaments, was most important among the current tasks to strengthen global stability. "Of key importance are efforts to strengthen the nuclear weapons nonproliferation treaty regime. Russia wants the conference of parties to this treaty, which is to be held next spring, to prolong its action termlessly and unconditionally," the Russian delegate said.

He pointed to the need to step up the Geneva talks on the treaty to ban nuclear tests throughout the world "with a view to signing it already next year and thereby marking the 50th anniversary of the United Nations by stopping the perfection of nuclear weapons".

"We urge all the states to contribute to the success of the talks on this treaty, and the nuclear powers to observe the tests moratorium. In light of this, China's October 7th nuclear explosion evokes serious concern. Russia calls for more clear-cut security guarantees to non-nuclear signatories of the treaty, which have voluntarily renounced nuclear weapons and are voluntarily fulfilling their treaty commitments. These guarantees should envisage the U.N. Security Council's assistance to such states if they are subjected to nuclear threats or blackmail," Lavrov said.

He noted that Russia was consistently calling for talks at the disarmament conference on the text of an agreement to fully stop the production of fissionable materials for nuclear armaments and other nuclear explosive devices. Russia proceeds from the premise that the "nuclear powers should place their weapon-grade fissionable materials, accumulated in the process of arms reduction, under the control of the International Atomic Energy Agency".

Lavrov stressed that the solution of nuclear weapon problems through bilateral agreements, even if the latter are very important, had its threshold of effectiveness. The interconnection of nuclear problems calls for a complex approach to them.

"These circumstances have prompted the Russian president's proposal to draw up a 5-nation treaty on nuclear security and strategic stability. The advantage of such a treaty lies in the fact that it will focus on the most important link of the nuclear chain—the material-technical basis of nuclear weapons. The treaty will pave the way to a complex solution of the problem of stopping the production of fissionable materials for nuclear weapons; banning the secondary use of fissionable materials, obtained from the reduction of nuclear stockpiles, for producing weapons; to scrap nuclear warheads and reduce the number of carriers of nuclear weapons", the Russian representative said.

He stressed that "the 5-nation treaty, combined with a world-wide ban on nuclear tests and an effective treaty on the nonproliferation of nuclear weapons will open up prospects for the steady and predictable progress of all the countries of the world to a stable and nuclear-free world in the 21st century".

'Constructive' Remarks by NATO's Claes Noted

MM2110110194 Moscow KRASNAYA ZVEZDA in Russian 21 Oct 94 p 3

[Commentary by Manki Ponomarev: "Willy Claes' Four Priorities"]

[FBIS Translated Text] Last Monday was Willy Claes' first working day as secretary general of NATO. He was appointed to this post after Manfred Woerner's recent death following a serious illness.

Willy Claes began his work at NATO headquarters by meeting with journalists, to whom he delivered a speech with an emphatically program character. Commenting on it, the mass media have been drawing attention to the priority tasks which face the North Atlantic alliance today, in the opinion of the new secretary general.

The first task and, in Claes' view, the main task is to cooperate with the new partners in East Europe in working out approaches to the problem of security on the continent. It is necessary to involve new partners in NATO's activity via the North Atlantic Cooperation Council and the Partnership for Peace program and in this way help to extend the NATO security system to them. The alliance must help its partners to transform their military structures and help to establish diplomatic control over them.

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The second task, from the secretary general's viewpoint, is to develop relations with Russia, whose significance and international role are very great. If NATO is to be able to fulfill its program of ensuring a durable and reliable system of peace in Europe, Russia must be its partner. The dialogue with Moscow must develop both inside and outside the framework of the Partnership for Peace program.

The third task is to continue improving and developing NATO's political and military instruments so that the alliance can make a weightier contribution to the settlement of crises and the performance of peacemaking missions. Since this task is to be resolved under the auspices of the CSCE or NATO, Claes believes, it is necessary to step up ties and practical cooperation with those institutions. The alliance, he stated, has already shown in the former Yugoslavia how its military might can be used to support the United Nations.

The fourth and final task is to enhance the role of the Western European Union as NATO's European bulwark. The development of the concept of allied joint operational forces drawn from the European alliance member countries is of special significance here, the secretary general stated. But the condition of this is that the firm transatlantic ties which still form the basis of a strong North Atlantic alliance must not be undermined.

These, in brief, are the main priorities which the new secretary general of the North Atlantic alliance intends to promote. The list of priorities, of course, does not yet provide very much material for an in-depth analysis. Some of the ideas expressed by Claes prompt certain doubts. But in general his speech was calm and constructive in tone. One can only hope that his practical activity in NATO's top post will be similarly calm and constructive.

Yeltsin Aide Pickets U.S. Embassy Over Visa

MK2110095094 Moscow SEGODNYA in Russian 21 Oct 94 p 2

[Report by Lev Aleynik under the "Rights" rubric: "U.S. Authorities Forced Sergey Kovalev To Picket Embassy. American Entry Rules Finally Incensed Russian Federation Human Right Commissioner"]

[FBIS Translated Text] Yesterday morning the building of the U.S. Embassy in Moscow was picketed by well-known human rights activists—Sergey Kovalev, chairman of the Russian president's Human Right Committee and Russian Federation human rights commissioner; Mikhail Molostvov, State Duma deputy; and Lidiya Semina. They carried posters reading "Our [government] killed, yours does not allow to bid a last farewell" and "The United States—a Closed Society: General Grigorenko's Son—Persona Non Grata."

The picket was a protest against actions by embassy services preventing Professor Georgiy Grigorenko, a Muscovite and a son of prominent dissidents Petr Grigorenko and his wife, Zinaida. During the 1 hour and 10 minutes of the picketing, however, no one emerged from the embassy building to talk to the picketers.

Gen. Grigorenko, who was stripped of his Soviet citizenship in 1977 along with his wife, who helped him to come to his dissident views, were forced to stay in America, where they continued their human rights activity. Gen. Grigorenko died in the United States in February 1987, but at the time the USSR authorities did not let his son, Georgiy, attend his father's funeral.

Now it is the U.S. authorities that deny Georgiy Grigorenko the right to enter the United States. He needs to go there because his mother is fatally ill.

The U.S. Embassy told him that he "failed to prove his right to non-immigrant status." The U.S. consul in Moscow said to Prof. Grigorenko: "I deny you a visa because, first, you have never been abroad; second, you are too low-paid; and, third, you have too many relatives in the United States" (mother and brother—Lev Aleynik).

Sergey Kovalev, who called the U.S. Consulate at 1520 on 19 October—before picketing—to inquire about Prof. Grigorenko's request that he be issued a temporary visa, was rudely rebuffed by a U.S. consul, who said that his protege lacked "sufficient grounds" for a trip. U.S. Ambassador to Moscow Thomas Pickering will be officially advised of the incident.

Foreign Ministry Condemns Tel Aviv Bus Attack

LD2010142294 Moscow ITAR-TASS World Service in Russian 1322 GMT 20 Oct 94

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[FBIS Translated Text] Moscow, 20 Oct—Mikhail Demurin, the Foreign Ministry official spokesman, speaking at today's briefing, decisively condemned the terrorist attack perpetrated in Tel Aviv on Wednesday, in which a passenger bus was blown up. Those guilty of this ferocious violence against civilians, he stressed, will not escape punishment. The Russian diplomat said he is certain that the crime committed by the extremists will not stop the momentum of the Middle East peace process.

Kozyrev on Russia's Part in Averting New Gulf War

LD2010194494 Moscow ITAR-TASS in English 1752 GMT 20 Oct 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Andrey Shtorkh]

[FBIS Transcribed Text] Moscow October 20 TASS—"Russia has made a considerable if not a decisive contribution into the fact that the major military clash

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which could take place very close to our borders was averted", Russian Foreign Minister Andrey Kozyrev told reporters on Thursday commenting on the results of his trip to Iraq, other Persian Gulf states and the USA.

"Both parties—Iraq and the anti-Iraqi coalition—were moving at full speed towards a possible major military clash in the region to which Russia is situated closer than any other superpower", the minister said.

"I believe that the results of my trip should be assessed according to the major thing - that such a course of developments was averted", he added.

Kozyrev admitted that such a turn of developments was disliked by the United States and West European countries which dispatched their troops to the Gulf when the Iraqi leader moved his forces to the border with Kuwait. "Naturally, such a turn caused considerable irritation and dissatisfaction of those who wanted to show themselves in combat action. But this is not in our national and state interests. We were sure that it was also not in the interests of the states of the region and of the international security in general. We have been solving the problem and, I believe, have solved it", the minister stressed.

Saddam Tells Kozyrev Kuwaiti POWs Dead

LD2010201794 Moscow NTV in Russian 1900 GMT 20 Oct 94

[FBIS Translated Text] We have learned from informed sources that Russian Federation Foreign Minister Andrey Kozyrev and Iraqi leader Saddam Husayn discussed at their recent meeting the question of Kuwaiti POWs who have been in Iraq since the 1991 Gulf war. The Iraqi leader told Kozyrev that the POWs are no longer alive.

Kozyrev To Attend Israel-Jordan Accord Signing

LD2010172694 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev will be present at the signing of an agreement between Israel and Jordan, one of his deputies said.

First Deputy Foreign Minister Igor Ivanov announced Kozyrev's decision to attend the signing ceremony, to be held in Israel on October 26, at a meeting of a Russian parliament committee on Thursday.

"Russia will continue to take an active part in the settlement of the Middle East problem, and all Middle East states, including Israel, have confirmed at the highest level their interest in the active presence of our country in that process," Ivanov told reporters after the meeting of the parliamentary international affairs committee. But "it is very important now to concentrate our efforts on Israeli-Syrian problems, where less progress has been made," he said, adding that Kozyrev would shortly visit Damascus. Russia will also be "giving active assistance to the Palestinians as they establish their self-rule," he said.

"This work may not catch attention, but we are continuing our active co-sponsorship at a normal diplomatic level," Ivanov said.

Chernomyrdin To Visit Gulf States in Nov

LD2110085294 Moscow ITAR-TASS World Service in Russian 0805 GMT 21 Oct 94

[By ITAR-TASS correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 21 Oct—Russian Prime Minister Viktor Chernomyrdin will visit a number of Arab states in the Persian Gulf area in November. This was announced today at a news conference in the [Russian] Foreign Ministry press center by Viktor Posuvalyuk, director of the Near East and North Africa Department. According to the diplomat, agreement on the trip was reached during last week's visit to the region by Russian Foreign Minister Andrey Kozyrev.

The prime minister will visit Saudi Arabia, Kuwait, the United Arab Emirates, and Oman.

Moscow Examines U.S. Intentions Regarding Iran

NC2110090594 Moscow Radio Moscow in Persian 1600 GMT 20 Oct 94

[Commentary by Sergey Viktorov]

[FBIS Translated Text] The latest developments in the Persian Gulf following Baghdad's military attempt near the Kuwaiti border followed by the deployment of U.S. Armed Forces in the region are apparently causing more and more concern in Iran. The publication of remarks by Ahmad Khomeyni, son of the deceased imam, in JOMHURI-YE ESLAMI is a very clear example of this.

According to Ahmad Khomeyni, the way to the area was opened to the United States and to other Western powers through [words indistinct] in answering Saddam Husayn's [word indistinct] and illogical steps. Meanwhile, Ahmad Khomeyni suspects that the United States intends to exploit the long-lasting differences between Tehran and the United Arab Emirates [UAE] over the three Persian Gulf islands—Greater and Lesser Tunbs and Abu Musa—located in the Hormoz Strait. Also, he does not rule out an overt attack by the Americans on these islands. Ahmad Khomeyni believes that U.S. military presence in the Persian Gulf threatens Iran's security on the whole and that Iran should thus prepare to defend itself.

Basically speaking, the concerns felt in Tehran on America's possible steps in the Persian Gulf are not baseless. Although (?punitive) measures were taken against Baghdad by America some time ago, Washington continues to regard Iran as a major obstacle to its objectives in the region. Moreover, the [word indistinct] of asking

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for U.S. assistance in solving problems comes among Persian Gulf countries; and the problem of the ownership of the said three islands is among the most important of such problems.

However, I think that despite its hostility toward the current officials in Tehran, the United States would not dare to attack the islands, which will be tantamount to direct aggression against Iran. The facts show that even during the attempts by the armed forces in the area in the most disturbing days of the recent crisis on the Iraq-Kuwait border, Washington did not want to fan the flames of a new military conflict. Most probably, the U.S. Administration hoped to [word indistinct] Saddam Husayn and to force him to pull back his strike forces from the Kuwaiti border—which did happen. Iran (?should expect) [words indistinct] weakened international sanctions. One assumes that the Americans will (?understand this well.)

Moreover, military actions against Iran—even if limited only to the three Hormoz Strait islands—will spark really extensive reactions throughout the world. Namely, up to now America's latest steps in the Persian Gulf have not received Moscow's proper understanding. This was expressed by Russian Foreign Minister Andrey Kozyrev in the diplomatic phrase that the Russian and American stances on the issue differ. Russia's state and political circles definitely [words indistinct] an overt U.S. aggression against Iran through Russia on the Caspian coast.

Queen, Yeltsin Honor Leningrad Blockade Victims

LD2010145694 Moscow ITAR-TASS in English 1438 GMT 20 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] St. Petersburg October 20 TASS—Queen Elizabeth the Second, the Duke of Edinburgh and Russian President Boris Yeltsin honoured on Thursday the memory of the residents of the second biggest Russian city who died during the 900-day blockade of Leningrad in World War Two.

After a minute of silence the queen and the president laid bouquets of flowers to the eternal flame at the Piskaryovskoe Cemetery of the city which was renamed into St. Petersburg in 1991.

The British monarch and the Russian president then passed along the Russian and British guards of honour and laid wreaths to the monument of the motherland which symbolises the eternal glory of those perished.

Another minute of silence followed after which the anthems of Great Britain and Russia were played.

Elizabeth the Second and Yeltsin greeted a group of Russian and British World War Two veterans. Nearly 50,000 British navymen and air force pilots participated in combat activities against Nazi troops in the Russian north. 15,000 of them were awarded with the Soviet medal "40 Years of Victory" in World War Two.

This year the British queen allowed her citizens to carry the medal.

Addressing students and professors of the St. Petersburg University on Wednesday, the queen said that she and the Russian president will pay tribute at the Piskaryovskoe Cemetery to those who perished and will stress the determination of Great Britain and Russia to cooperate in the spirit of partnership so that the youth of both countries could work in conditions of peace.

After the cemetery the queen and Naina Yeltsin, the wife of the Russian president, proceeded to the St. Petersburg Research Institute of Prosthetic Appliances, while the Duke of Edinburgh visited the navy museum.

President Yeltsin in the meantime held a closed-door meeting with St. Petersburg Mayor Anatoliy Sobchak and the governor of the Leningrad region, Aleksandr Belyakov. The region was not renamed in contrast to the city.

Queen Elizabeth Concludes State Visit

LD2010211094 Moscow ITAR-TASS World Service in Russian 2038 GMT 20 Oct 94

[By unidentified ITAR-TASS correspondent]

[FBIS Translated Text] St. Petersburg, 20 Oct—Queen Elizabeth II of Britain has concluded her state visit to Russia, which she made at the invitation of the Russian President Boris Yeltsin. After the official ceremony of farewell between Her Majesty and the Duke of Edinburgh and the Russian president and his wife, the royal yacht Britannia, with the reigning pair and their numerous entourage on board set course for Helsinki.

Foreign Ministry Insists on Caspian Sea Legal Status

LD2010182094 Moscow ITAR-TASS in English 1732 GMT 20 Oct 94

[By ITAR-TASS correspondent Vladimir Suprun]

[FBIS Transcribed Text] Moscow October 20 TASS—Despite the assurance of Russian Prime Minister Viktor Chernomyrdin that Moscow has no objections to the Azeri "oil deal of the century" concluded with major Western companies, the Russian foreign Ministry continues to insist that Azerbaijan has to take into consideration the interests of other countries bordering on the Caspian Sea and Russia in particular.

"We fully respect sovereign rights of Azerbaijan, but Baku has to remember that its sovereign rights cannot be exercised through unilateral actions", Foreign Ministry spokesman Mikhail Demurin told TASS on Thursday.

Russian officials are split in their attitude to the Azeri shelf oil deal. Producers are interested in it and the

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major Russian Lukoil company participates in the project. The Foreign Ministry, however, insists that it is first necessary to share the Caspian which used to be an internal sea for the former Soviet Union.

"The essence of differences between Russian industrialists and the Foreign Ministry lies in various approaches to the necessity of a solid international legal base for the development of relations between sovereign states", Demurin said and explained that many Russian and Azeri oil producers believe that a single space still exists on the territory of the former Soviet Union and it is possible to cooperate on it only on the basis of economic feasibility and without a juridical basis.

"In reality there are two independent states—Russia and Azerbaijan and relations between them should be based on a solid legal basis. Besides, if the talk is about the Caspian Sea, it is necessary to take into consideration the interests of other states bordering on it and a complex approach to the development of its resources", Demurin said.

He turned down accusations that the Foreign Ministry does not protect the interests of Russian oil producers. "I have to definitely state that we shall render assistance in advancing their interests to foreign markets, but we shall assign primary importance to the protection of the sovereign rights of our state", the spokesman said and stressed that "it is a direct instruction of the Russian president".

Demurin's statement was, evidently, a response of the Russian foreign minister to President of Azerbaijan Heydar Aliyev who in a telephone conversation last week expressed "confusion" over the position of the Russian ministry regarding the oil deal. Aliyev told Kozyrev that the division of the Caspian Sea into sectors had been fixed yet in 1970 by the then Soviet Oil Industry Ministry. "The borders of the sectors of all Caspian republics have been specified then", Aliyev said.

He qualified the position of the Russian Foreign ministry as "contradicting the friendly relations between the two countries".

Kozyrev promised to consider the oil deal issue "in the light of the telephone conversation with the leader of Azerbaijan" and express his opinion in several days. Judging by Demurin's remarks, it did not change.

Also last week Russian Prime Minister Viktor Chernomyrdin told Aliyev that he "sees no problems in connection with the signing of the oil contract", but added that it was necessary to jointly solve the ecological problems of the Caspian Sea, as well as fishing issues.

Russian, Kyrgyz Intelligence Services Sign Accord

LD2010194294 Moscow INTERFAX in English 1634 GMT 20 Oct 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Russia's Foreign Intelligence Service and Kyrgyzstan's State Committee for National Security have signed a cooperation accord.

The document, signed in Moscow on Thursday, is a basis for the two former Soviet republics' cooperation in defending their political, economic, environmental and security interests, the media spokeswoman for the chief of the Russian Foreign Intelligence Service said.

Tatyana Samolis told Interfax that Kyrgyzstan was the ninth member of the Commonwealth of Independent States to have made a bilateral deal with the Russian service. "Turkmenistan and Azerbaijan are the only (CIS countries) with whom such agreements haven't been signed," she said.

Bilateral accords between security services have proven to be the most effective, Samolis said.

She said Kyrgyzstan's President Askar Akayev and Ambassador Akmatbek Nanayev had attended the signing ceremony. "It was the first time that a head of state had been present at the signing of such an agreement," she said.

Yeltsin Receives Brazil's President-Elect

LD2010124094 Moscow ITAR-TASS in English 1228 GMT 20 Oct 94

[FBIS Transcribed Text] Moscow October 20 TASS—President Yeltsin received Brazilian President-Elect Fernando Henrique Cardoso in the Kremlin today. Fernando Henrique Cardoso won the October 3 presidential elections in Brazil and came to Moscow for a private visit, ITAR-TASS learned from a representative of the press service of the Russian president.

During their conversation Yeltsin congratulated Cardoso on being elected to the post of the head of the Brazilian state and expressed confidence that Russian-Brazilian partnership would further develop in the interests of the two nations, for the benefit of the consolidation of peace and international stability.

Yeltsin invited Cardoso to pay an official visit to Russia after he takes office. The invitation was accepted with gratitude.

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Political Issues

Yeltsin Condemns 'Flood of Dirt' Against Grachev

LD2010181694 Moscow NTV in Russian 1600 GMT 20 Oct 94

[FBIS Translated Text] Russian President Boris Yeltsin, who is in St. Petersburg together with British Queen Elizabeth II, deemed it necessary to speak out on the accusations directed against the defense minister.

[Begin recording] [Unidentified correspondent] What is the reason for all these recent vitriolic attacks, in your mind, from all different places, at the leaders of our Armed Forces, and personally at Defense Minister Pavel Grachev?

[Yeltsin] I see, first of all, one reason here, probably the main reason—that the Armed Forces and the defense minister personally have played a great role in the October 1993 events when democracy was defended in Russia. Of course, the opposition still cannot forgive Grachev. Therefore different insinuations appear.

Well, the journalist Dmitriy Kholodov died—we are all mourning him, and of course this is a tragedy. Yesterday, when I met editors in chief of newspapers and television we said that journalists should be issued some type of licence cards for their protection. You understand—like those issued to employees of departments of the interior and so on. Such cards should be designed. Of course, a journalist should, so to say, give his word that he would observe the norms of ethics, because one could then take this card away from him if he breaks the norms of ethics, as it were.

Criticize all you wish. You can criticize the president too. I will not say anything, although I always suffer a lot, every time.

That is why linking the death of Dmitriy Kholodov with the allegations that the defense minister would be involved in it in some way or other—this is just not serious. This is absolutely not serious. He is a major statesman, minister of defense, a genuine minister of defense who is honored by the troops and the president, who is respected by the government and by the legislators, as it were. In the last decade he has been one of our strongest defense ministers—both in the former country [of the USSR] and in Russia.

So I would ask you too to provide help here, and to stop this flood of dirt pouring over him, of non-objectivity, you name it. [end recording]

Says Grachev Not Implicated in Murder

LD2010161094 Moscow ITAR-TASS World Service in Russian 1457 GMT 20 Oct 94

[By ITAR-TASS special correspondents Anna Melnikov and Andrey Serov]

[FBIS Translated Text] St. Petersburg, 20 Oct— Russian President Boris Yeltsin thinks that Defense Minister Pavel Grachev "is not implicated or involved in the tragic death of MOSCOW KOMSOMOLETS journalist Dmitriy Kholodov." He said this today in a conversation with Russian journalists after the wreath-laying ceremony at the Piskarevskoye Cemetery in St. Petersburg, which the head of the Russian state attended together with Queen Elizabeth II of Great Britain.

Boris Yeltsin urged the media to halt "the stream of dirt and bias" concerning the head of the military department. In the president's opinion, the main reason for the attacks on "the Armed Forces and on the defense minister personally is connected with their part in last year's October events." It is they, the president said who "upheld democracy in Russia, and the opposition still cannot forgive Pavel Grachev and the Armed Forces for that."

In Yeltsin's opinion, Grachev is "a major statesman, a real defense minister who is honored among the troops, who is honored by the president, and who is respected by the government and the legislature... He is, perhaps, the strongest defense minister in our country over the past 10 years."

Kostikov Urges Grachev To Refute Accusations

LD2010182694 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Presidential Press Secretary Vyacheslav Kostikov believes that it would be "a logical and normal move" for Russian Defense Minister Pavel Grachev to address the court in order "to draw aside those serious accusations which have been made by the newspaper MOSKOVSKIY KOMSOMOLETS."

"Part of society demands the resignation of the defense minister, however we live in a legal state. It's up to the court to decide whether a person is guilty," he underlined in an interview with Interfax after a meeting devoted to the memory of journalist Dmitriy Kholodov.

Among the accusations against Pavel Grachev cited by MOSKOVSKIY KOMSOMOLETS newspaper is the purchase of two Mercedes cars on his instruction with money designated for construction of accommodations for officers from the Russian Army's Western Group of Forces withdrawn from Germany. He is also accused of not lifting a finger to prevent corruption in the Western Group of Forces. Participants at a rally and several orators demanded Grachev's resignation.

According to Kostikov, if the court recognizes that the accusations addressed against Grachev are false the newspaper will have to present its apologies to Grachev. "If the court establishes that Grachev is guilty of something or has concealed the activity of somebody else then the court will undertake appropriate legal actions," Kostikov said.

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"In any case his behavior must abide by what befits a Russian officer," Kostikov underlined.

No Murder Investigations at Defense Ministry

LD2010145794 Moscow 2x2 Television in Russian 1330 GMT 20 Aug 94

[FBIS Translated Text] The Russian Federation Defense Ministry has no intention of conducting any internal investigations following Dmitriy Kholodov's murder, a high-ranking source at the Ministry told the Ekho Moskvy radio station on condition of anonymity. The same source also said that the military procuracy will not take part in the investigation of this terrorist act.

Funeral Held for Assassinated Journalist

LD2010124594 Moscow ITAR-TASS in English 1214 GMT 20 Oct 94

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Transcribed Text] Moscow October 20 TASS—The punishment of killers of 27-year-old journalist Dmitriy Kholodov who died because of an act of terrorism on October 17 must become a turning point in the history of the fatherland. This was stated by participants in a funeral meeting near the Palace of Youth where Moscow people bid the last farewell to the journalist. Vyacheslav Kostikov, the press secretary of the Russian president, said that now it is the time of trial for democracy. Russia's future depends on the courage of people who tell the truth. Yegor Gaydar, leader of russia's Democratic Choice Party, said those who tried to reverse the history lose sight of the fact that a new generation of free people emerged in Russia. The assassinated Dmitriy Kholodov was among such people.

Aleksandr Minkin, the colleague of the assassinated journalist, said society divides not into communists and democrats, the poor and the rich, but into honest and dishonest. Journalists testified it is precisely honest professionals who now become the target of terrorism.

"We shall always treasure the memory of Dmitriy Kholodov. The blood stains on the wall near which the journalist was killed will be preserved in the editorial office of the newspaper "MOSKOVSKY KOMSOMOLETS", said the newspaper's editor-in-chief Pavel Gusev. "We shall be swearing allegiance to truth in journalism near this wall", he said.

After the meeting the funeral procession walked along the Komsomolsky Prospect.

Grachev Postpones Visit to Far East

LD2010165594 Moscow NTV in Russian 1600 GMT 20 Oct 94

[FBIS Translated Text] Russian Defense Minister Grachev's planned trip to the Far East and the northern regions has been postponed for an uncertain period because of his possible meeting with President Yeltsin. A RIA-Novosti correspondent was told this today in the Information and Press Administration of the Russian Defense Ministry.

Chernomyrdin Seen Given Chance To Exit Gracefully

MK2010131294 Moscow KOMMERSANT-DAILY in Russian 20 Oct 94 p 3

[Report by Sergey Tsekhmistrenko under the "State Duma Plenary Meeting" rubric: "President Lets Off Steam From Parliamentary Boiler"]

[FBIS Translated Text] Ivan Rybkin's sensational statement at yesterday' State Duma plenary meeting, that every faction may submit for the president's consideration its candidates for the posts of finance minister and Central Bank chairman, exploded like a bombshell. But what was an even greater sensation were rumors confirmed in private conversations by leaders of a number of factions that earlier, at the Duma Council meeting, the speaker recommended that three, not two, vacancies should be considered, adding to the two already existing ones the still occupied post of economy minister. The speaker's actions can be interpreted as indirect proof of earlier rumors about Viktor Chernomyrdin's possible resignation: in accordance with the Constitution it is the premier—not the deputies—who is entitled to recommend candidates for ministerial posts to the president.

Ivan Rybkin's statement was made in response to numerous demands voiced mostly by left-wing factions that Viktor Gerashchenko's resignation be considered together with the question of Boris Yeltsin's violating the Constitution by issuing the edict on dismissing the Central Bank chairman. Promising that a legal probe of the Gerashchenko case will be conducted by the State Duma's best law experts, the speaker made the announcement about the two days to be given to factions to mull over personnel matters. Which, as a matter of fact, helped visibly ease tension in the audience.

The president's proposal drew mixed responses from the deputies. KOMMERSANT-DAILY has learned that most inspired by it were the democratic factions ("Russia's Choice," "Yabloko," and the "12 December" Union), which immediately proceeded with intensive consultations. Here a curious situation arose: although Yegor Gaydar and Boris Fedorov were considered the main candidates for the post, they for the first time appeared to have managed to reach a compromise. By some accounts, the candidate the democrats are going to recommend to the president is Dmitriy Tulin, Gerashchenko's former deputy, who was recently appointed Russia's representative at the IMF but has yet to start out in his new job. The situation regarding another vacancy—that of the finance minister—is much more complicated because the democrats have so far failed to find common ground on it.

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The PRES [Party of Russian Unity and Accord] faction—which has one of the largest representations in the government—has found itself in a fairly sensitive situation. On one hand, the Shakhray party cannot ignore the proposal or stay indifferent to the undermanned cabinet for this very reason. On the other, at present the PRES is not quite in a position to participate in the nomination of candidates, given that Aleksandr Shokhin's is no longer on firm ground, while Shakhray's standing has long been shaky. So far only the communists and the Democratic Party have unequivocally opposed recommendations to the president. Still, not everything is clear about the left parties' stance either. For instance, representatives of the Agrarian Party [APR] faction hinted in the lobby that the communists would not mind supporting their creatures—Sergey Yegorov, president of the Russian Banks Association, for the post of Central Bank chief; and Gennadiy Kulik, former agriculture minister and currently a member of the APR faction, as finance minister. Some Democratic Party members are also anxious to put their man, Sergey Glazyev, at the helm of the Finance Ministry, although the faction's official motto remains unchanged: "No support for the provisional government!" [echoing Lenin's revolutionary slogan]

There is a common feature that can be discerned behind all these State Duma developments: an attempt to start a dialogue with Yeltsin on formation of the cabinet, while "not staining oneself" by one's personal involvement in it. Hence, proposals that "a pure professional" be appointed Central Bank chief, for instance. At the same time, one should bear in mind that the president might well be pursuing his own game, and in this case his idea to ask the deputies' opinions just before the consideration of the government question at the State Duma is but a trick that helps him let off steam. On the other hand, the appeal to State Duma members could also testify to the waning fortunes of Chernomyrdin, who, to all appearances, is no longer asked about anything.

Given that, one can assert that if the rumors about Viktor Chernomyrdin's intention to step aside and keep a low profile till 1996 so as not to bear responsibility for further reform are true, Yeltsin is giving him a chance to do so elegantly. For instance, the premier can take offense at limiting his authority and step down before the State Duma considers his government's performance. In addition, if the premier resigns after vehement criticism in parliament, his departure would be seen as an acknowledgement of his critics' correctness and his government's poor job. But such an acknowledgement would always be a liability for Viktor Chernomyrdin's further political career.

Kozyrev, Chernomyrdin Events Augur Infighting

MK2010121094 Moscow KOMMERSANT-DAILY in Russian 20 Oct 94 p 4

[Commentary by Georgiy Bovt, Aleksandr Koretskiy: "Douglas Hurd Visit. 'Canards' Are Flying"]

[FBIS Translated Excerpt] Russian Defense Minister Pavel Grachev appeared in the role of Foreign Minister Andrey Kozyrev yesterday. Owing to the fact that the Russian Foreign Ministry head is busy at the United Nations settling the Iraq conflict, he could not meet with Douglas Hurd despite the agreed itinerary of Queen Elizabeth II's visit, and the British foreign secretary was received by Grachev. Curiously, neither did Viktor Chernomyrdin happen to be in Moscow to receive Elizabeth II at "Vnukovo-2." [passage omitted]

It remains to be hoped that Grachev's apt standing-in for Kozyrev is not going to appear as a subtle hint at some circumstances unfavorable for the Foreign Ministry head. At any rate, yesterday, when trying to stem the sudden flood of rumors from the Kremlin, Yeltsin resolutely denied information about the allegedly imminent resignation of Chernomyrdin and Kozyrev. Taking a closer look at the nuances, one can notice that things with Chernomyrdin are even less vague than with Kozyrev: "Ekho Moskvy" radio reported the evening of 18 October (referring to a source in the staff of Yeltsin himself) that the premier had written a request to resign. And this "canard" (in whose launch mechanism an experienced hand is felt) landed on fertile soil: circles around the government have long been talking about a balance of forces unfavorable for the premier. The resulting impression was that yet another tide of rumors similar to those in spring is rising, and the launching of the premier's resignation "canard" is hardly accidental. But nothing has been heard lately about Kozyrev's resignation. And why should the president go and deny nonexistent rumors about firing of the Foreign Ministry head. Or is this a slip of the tongue "a la Freud?" Yet another thing is unclear: Why should Chernomyrdin have been "exiled" to Sochi thus denying him the chance either to talk with Silvio Berlusconi (this was in the plan), or to greet the queen (something provided for even in the latest versions of the protocol). And what could have sent Kozyrev dashing off for Iraq and Kuwait (next to two high-ranking diplomats, one of whom is Viktor Posuvalyuk, the president's special representative in the region), and then for New York? Already there, why should he have had to state he was not going back to Moscow before 20 October, for which reason he was not going to meet with Hurd?

One need not have asked all these questions, however, had it not been known that the Kremlin's most resolute denials nowadays coincide as a rule with new spirals in the apparatus and factional struggle.

Official Refuses To Call Off Protest

MK2010103094 Moscow SEGODNYA in Russian 20 Oct 94 p 2

[Report by Andrey Nikolayev in the "Confrontation" column: "Sergey Filatov Has Called on the FITUR Not To 'Agitate' Society. Trade Union Leaders Continue Preparations for Rallies and Marches in the Regions"]

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[FBIS Translated Text] Sergey Filatov, Russian presidential chief of staff, addressing a session of the Conciliation Commission on the Implementation of the Public Accord Pact, invited the leadership of the Federation of Independent Trade Unions of Russia (FITUR) to abandon plans to hold an all-Russian protest action "against the aggravating socioeconomic situation of working people," scheduled for 27 October. Filatov is convinced that the action must be canceled at least "for the sake of society and in the interests of preserving the pact."

In light of latest events related to the sharp fluctuations in the rate of the dollar, the protest action, according to Sergey Filatov, can only "agitate society" once again. Especially considering that following a recent series of strikes the question arises: Why was the pact signed in the first place: to look jointly for a way out, or "just to have a piece of paper."

First Vice Premier Oleg Soskovets, who spoke of Sergey Filatov's request, stated that the trade unions' demands that wage arrears be repaid and mass unemployment stopped are comprehensive problems that cannot be resolved overnight, no matter how one might wish. The government, according to him, is thoroughly and closely dealing with these problems; a whole number of ideas and proposals have been put forward which will soon "materialize" into decisions. To achieve concrete results, however, in Soskovets' opinion time is needed as well as joint efforts—not only by the executive structures but also the lawmakers and all those who are interested in seeing an economic improvement.

Russian Federation Labor Minister Gennadiy Melikyan observed in this connection that, according to data from his department, the economic situation in Russia today is not worse but actually even better than it was in winter or in spring, if only because judging from statistics reports, the incomes of the Russian people have grown while the number of enterprises failing to pay wages has fallen. It is another matter that the trade unions have taken a higher profile, and, according to Melikyan, are acting "unpatriotically," trying "to play a political card" in the course of the upcoming action. Otherwise they would be making demands not on the government but on enterprise directors, especially given that there are plenty of examples when the latter as well as joint stock companies are not paying wages although, according to Melikyan, they have the money to do so.

FITUR Chairman Mikhail Shmakov denied Melikyan's "allegation" that the pending action "has a political character." The FITUR leader said that its objective is primarily to "draw the attention of the president, the government, and parliament" to the "most acute problems" in society in order to avert a social upheaval. "The government's efforts," according to Shmakov, "are merely proposals and plans, not specific actions. Therefore, so far there is nothing to talk about," the trade union leader said, making it clear that there can be no question about canceling the protest action.

Regional Trade Unions Plan 27 Oct Protest

MM1910131394 Moscow RABOCHAYA TRIBUNA in Russian 19 Oct 94 p 1

[Report by Albert Kubarev of the FITUR Information Center: "Regions Demand Ruble. October 27 is Trade Union Protest Day"]

[FBIS Translated Text] The association of 14 trade unions of Central Russia has decided to stage a coordinated trade union protest action against the worsening of working people's lives. At 1600 hours local time mass processions and rallies will be held in the oblast centers under the slogans: Pay people the wages they are owed and no to mass unemployment. Each region will be sending a delegation to Moscow to take part in collective actions. In the capital there will be a procession on Tver Street and a rally will be held on Theater Square.

The headquarters where the FITUR All-Russia protest action is being prepared has been receiving reports from other regions.

We have just received phone calls from Krasnoyarsk, Nikolay Antonov, executive secretary of the Coordinating Committee, said. There will be a picket of the kray administration building there on 27 October. The construction workers union association is planning to hold a two-hour warning strike, and the aviation workers are holding a rally at Cheremshanka airport. The farmers will be taking to the Moscow and Yenisey highways on combines and tractors with banners and placards expressing the trade unions' demands.

A conference of the trade union aktiv in Orenburg Oblast has discussed the socioeconomic situation in the region. Its participants supported the decision of the FITUR General Council Executive Comittee to hold the All-Russia protest action.

The Northwest Trade Unions' Association in Kaliningrad has issued a demand to the heads of the regional administrations not to obstruct the free and lawful expression of the trade union members' will during the collective actions. There have been no such attempts as yet, it is true. But what has happened is that the Belgorod administration has not given permission for a rally to be held on the central square in the oblast center.

A serious conflict has broken out in Bryansk for the same reason. The trade union association there wanted to hold a rally in a square in the center. But the administration proposed that it be held in a park in the suburbs. The prosecutor's officer protested against that decision but the law does not apply to the local authorities, it seems. The oblast trade union center has taken the matter to court where the problem should be resolved.

Shumeyko Support for Labor Action Seen as PR Move

MK2010141094 Moscow KOMMERSANT-DAILY in Russian 20 Oct 94 p 3

[Report by Mariya Bogdanova: "Vladimir Shumeyko's Statement. Federation Council Speaker Displeased With Wage Delays"]

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[FBIS Translated Text] Federation Council Chairman Vladimir Shumeyko appears to have grown weary of the image of "the president's man." At any rate, his statement yesterday in support of the all-Russia protest action by the trade unions adds a dissenting tinge to his otherwise well-established political life.

According to leaders of the Federation of Independent Trade Unions of Russia [FITUR], the all-Russia protest action scheduled for 27 October has been prompted by the government's noncompliance with a number of provisions of the Public Accord Pact, particularly its obligation to repay its debts for delayed wages. Government representatives, of course, reject these charges, suggesting that those responsible should be looked for among enterprise managers. Presidential administration chief Sergey Filatov, for his part, recommended that the trade unions refrain from this action, which could deal a blow to the Public Accord Pact.

Against this background, the backing given to the trade unions by a politician who has traditionally been considered the president's man appears even more surprising and could make trade union bosses even less pliable. The Federation Council speaker himself is unlikely to risk provoking a serious confrontation with the president, however. This statement, made during a conversation with participants in a meeting of members of professional dynasties from CIS countries, was meant rather to say that Vladimir Shumeyko performs his own part in the Moscow political choir and his position enables him time and again to add a bit of improvisation to the rigid scores, which as a rule helps broaden one's potential electorate.

Trade Union Leader Views Mounting Wage Arrears

MM2110075994 Moscow SOVETSKAYA ROSSIYA in Russian 20 Oct 94 p 1

[Unattributed report: "Wage Arrears"]

[FBIS Translated Text] Wage arrears at the beginning of October in Russia amount to 4.2 trillion rubles and the number of unemployed has exceeded 1.3 million. Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia [FITUR], produced these figures at yesterday's session of the government commission for the improvement of the system of payments and accounting.

The FITUR leader asserts that the state's debts are showing a tendency to increase. At a number of enterprises, especially in the military-industrial complex, wages have not been paid since April. The workers' reaction has been swift—strike committees are being formed in order to mount a "show of force."

Such a situation, Mikhail Shmakov noted, is spurring on FITUR to hold a day of collective actions by trade unions all over Russia 27 October.

Kremlin 'Backed the Wrong People' in Chechnya

MM2010161494 Moscow IZVESTIYA in Russian 21 Oct 94 p 1

[Feature comprising unattributed report, report by Nikolay Gritchin from Stavropol, and article by Valeriy Vyzhutovich: "Kremlin Plan To Resolve Crisis in Chechnya Suffers Defeat, Along With the United Opposition"]

[FBIS Translated Excerpt] On 19 October Chechen government troops, as already reported, inflicted a crushing blow on the combat subunits of the united opposition near the villages of Urus-Martan, Gekhi, and Goyty. The Ministry of Internal Affairs of Chechnya officially announced the final defeat of Beslan Gantemirov's armed formations. The republic Department of State Security reported that "government troops are collecting the bodies and rounding up those armed opposition supporters who had managed to flee." [passage omitted]

[Vyzhutovich article] The post-battle landscape gapes with questions. Why did no reinforcements arrive to help Gantemirov's subunits? Where were the other armed detachments of the Interim Council at the time and what were they doing? And most importantly: Why did the Mi-24 combat helicopters not take to the air—the helicopters that distinguished themselves recently in the bombardments of Groznyy airport, the surroundings of Znamenskoye and Bratskoye, and Dudayev's fortifications on the Rostov-Baku highway? The undisputed and irrefutable fact that the "choppers" (and their crews) belong to Russia shifts the question "why did they not take off?" out of the purely military sphere and into an exclusively political sphere. And the answer to this question should not be sought at the Chechnya Interim Council headquarters at all, but in Kremlin offices.

Until now, there has only been speculation about the Kremlin's progressive disappointment in the leaders of the anti-Dudayev opposition, fed from "Moscow's hand." Now it has finally become clear: However great the Russian authorities' impatient interest in the fall of the Dudayev regime, Moscow does not intend to go on supporting this opposition and its leaders. One Kremlin source, very close to the authors of the plan to oust the Chechen president, admitted frankly in a conversation with IZVESTIYA's commentator: "We backed the wrong people."

But how come it was necessary to go on bluffing, asserting for three months in succession that Umar Avturkhanov, known in the republic only to his relatives and people from his home town, is a recognized "national leader"? What "healthy forces" did the criminal Ruslan Labazanov personify? Or former Groznyy Mayor Beslan Gantemirov, who is involved in criminal business and whose opposition was spurred not so much by lofty concern for the well- being and prosperity of the Chechen Republic, as by the distribution of "oil" jobs—and therefore fuel revenue—in a way that he,

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Gantemirov, personally found objectionable? Finally, what did the authors of the anti-Dudayev scenario suddenly find so attractive about the frenzied "peacemaker" Ruslan Khasbulatov, whose mission was observed from the Kremlin offices with obvious, though unpublicized, benevolence?

Apparently the Russian leadership did not care who "got rid of" Dudayev or how. But the Interim Council's ultimatums to the president and government of Chechnya, backed up by nothing except unruly firing, became tiresome. And, most importantly, the belated realization dawned: If they oust Dudayev—what then? Who could become head of the republic and keep it from civil war? Avturkhanov? Gantemirov? Neither of them is at all suited to the role of responsible, generally recognized leaders. And even before, it was clear that these were interim figures, mobilized in order to clear the way for a more authoritative politician waiting, for the time being, in the shadows.

Who will be Moscow's new placeman? Doku Zavgayev, former first secretary of the Chechen-Ingush obkom [CPSU oblast committee], retired chairman of the republic Supreme Soviet, and now a member of the Russian Presidential Staff? Or the former Union minister Salambek Khadzhiyev? They both live in Moscow and are hardly prepared to go on a mission to their homeland until such time as a field of political activity worthy of their ambitions has been cleared where at present there is only a battlefield.

The same Kremlin source told IZVESTIYA: "New, more complex ploys are possible." He did not say what. Nonetheless, it is clear that the Kremlin plan to oust Dudayev is now being rewritten. And judging by recent events—in blood.

Military Worried Over Poltico-Economic Situation

LD2010170094 Moscow ITAR-TASS in English 1626 GMT 20 Oct 94

[By ITAR-TASS correspondent Nikolay Kalintsev]

[FBIS Transcribed Text] Moscow October 20 TASS—The Russian officer elite is in extremely negative mood over Russia's present economic and political situation and hopeless about any improvement in the nearest future, an opinion poll indicated. The poll was ordered by the Moscow Office of Friedrich Ebert Fund (Germany) among 615 senior officers in ranks from lieutenant-colonel to lieutenant- general. The poll was carried out in six military districts by the Sinus Society for Social and Market Studies (Munich-Moscow) in collaboration with a group of Russian military pollsters of the "Civil Peace" Union.

The respondents think the situation endangers Russia's security. Many think the return of authoritarian rule or even dictatorship is possible. One of every five respondents thinks a military coup could occur in Russia. Mass riots and strikes in Russia's regions are thought possible within two years.

Nonetheless, most of senior officers and generals admit that there is no sensible alternative to economic reforms. Most are against the use of the Russian Armed Forces within Russia, including for protection of both the president and the parliament or for management of strikes or autonomous republics' secessionism. The Army's role should not be reduced to that of a helper in the harvesting season. The respondents want the Army to be a guarantor of Russian external and, partially, internal security and of the nation's political claims. The respondents say it requires state- of-art weapons, a strategic balance with the West and more exports of weapons.

Most of officers see the political changes of the past decade as irreversible, especially Cold War. However, one of every three officers still sees the United States as Russia's "enemy", and simultaneously is in favour of equality-based partnership with Washington. The Russian military are in "detente" mood towards the United Nations. The respondents speak in favour of using the Russian forces in U.N.' peacekeeping operations, even far beyond the boundaries of Europe.

The pollsters indicate that political views of the respondents should be considered against their personal backgrounds. Many complained of low pay, poor housing conditions and a lack of career prospects. The military profession, especially being a general, has one of the lowest public ratings now. The respondents think priests, doctors and artists now represent the most prestigious occupations in Russia.

This was the third poll ordered by the fund since 1993, Schulz, director of the Moscow Office of the Friedrich Ebert Fund, said. Two previous polls involved the Russian foreign political and economic elites. The three elites were on a common ground on some subjects. For instance, they were unambiguous on Russia's place in the world. No one wanted the return of the old system, although the military had some reservations.

Such polls have the value of allowing close follow-up of societal processes, Schulz aid. Moods were closely watched in Germany in the 1950s-1960s, he said. Those poll studies were to ascertain whether the Germans had really embarked on democracy and were reliable partners for Europe. Similarities with Russia are obvious, Schulz stressed.

Yeltsin, Media Chiefs Exchange Views

MM2010104794 Moscow ROSSIYSKIYE VESTI in Russian 20 Oct 94 p 1

[Unattributed report: "Taking Counsel with the Press"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin met yesterday with leading mass media chiefs. Presidential Press Secretary Vyacheslav Kostikov said that such meetings are traditional, even though they are held quite seldom. The last one was held last November.

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According to Vyacheslav Kostikov, "the president has a high opinion of the independent mass media and their role in shaping public opinion." He explained that no provision is made for agendas for such contacts, and he assumed that Boris Yeltsin intends to familiarize the mass media chiefs with his stands on key questions. A free exchange of opinions between the president and the mass media chiefs took place at the meeting.

In the opinion of the president's press secretary, the importance of such measures lies in the fact that its participants are not press bureaucrats but the leaders of the most influential publications, news agencies, and television and radio companies.

Shokhin: No Portfolios for Communists, Zhirinovskiy

LD2010154894 Moscow ITAR-TASS in English 1504 GMT 20 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow October 20 TASS—Russian Deputy Prime Minister Aleksandr Shokhin made it clear on Thursday that communists and Liberal Democrats of Vladimir Zhirinovskiy will not get a government portfolio.

Democratically-oriented parties, on the contrary, may join the government because they opposed the motion of a non-confidence vote in the government which is to be held on October 27 in the State Duma, according to Shokhin who spoke to reporters during a break in a government meeting which discussed the 1995 draft budget.

"There is no talk about the participation in the government of the (Duma) factions who consider themselves as irreconcilable opposition because they demand the right to form a completely new government", Shokhin said.

"Parties of the democratic bloc, although they disagree with the government in many things and act as the opposition in certain issues, occupy a constructive stand which means that they do not believe it necessary to change the whole of the government, but only some ministers", the deputy premier said.

He added that democrats can count only on vacant government posts.

Travkin 'Suspends' DPR Leadership

MM2010092194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 20 Oct 94 p 1

[Report from roundup of POSTFACTUM and EFIR-DAYDZHEST reports: "Nikolay Travkin Has Suspended His Leadership in 'Ilich's Party'"]

[FBIS Translated Text] Nikolay Travkin has suspended his leadership in the Democratic Party of Russia [DPR] after the DPR Political Council refused to sanction the expansion of the party faction in the State Duma. In the opinion of the DPR deputies, Nikolay Travkin needs the faction's expansion to obtain an absolute majority in it and subsequently recall from his post Sergey Glazyev, chairman of the Duma Committee for Economic Policy. The solution of the question of the party's new leader has been deferred until 12 November.

Shakhray News Conference Marks PRES Anniversary

MM2110104994 Moscow ROSSIYSKAYA GAZETA in Russian 20 Oct 94 p 2

[Report by Yuliya Nekhorosheva: "'All But a Babe in Arms.' One Year On."]

[FBIS Translated Text] A press conference devoted to the anniversary of the creation of the Party of Russian Unity and Accord [PRES] has been held in the Arbat Hotel in Moscow.

The PRES has grown up, its Chairman Sergey Shakhray stated, summarizing the past year's results. The 4 million voters who voted for the "all but a babe in arms" in December, the election of 63 PRES members out of the 160 who ran for election to legislative assemblies in the regions, the initiative of the amnesty and the Treaty of Social Accord, the publication of the draft Eurasian Union, and finally the creation of 60 regional cells.

Those are the party's achievements.

S. Shakhray believes that a mass party in Russia is impossible now. That is why the party's main task is to create a network of structures to ensure participation in local elections or else broaden its electorate base but not the membership.

S. Shakhray answered questions connected with last Tuesday's ruble drama. In his opinion, the institution of criminal proceedings into facts which have been coming to light during the work of the investigating commission cannot be ruled out. There could also be the creation of a national bank council headed by the new chairman of the Central Bank which would include representatives of the government, the president's staff, and the major banks so as to work together to prevent crises like that.

The PRES' relations with other democratic forces are below average, S. Shakhray believes. They unite only temporarily for specific projects. The PRES leader does not rule out the possibility of a common presidential candidate representing all the democrats but that, in his words, "requires serious work and Gaydar's opinion is not the only one here."

CPSU Documents To Be Declassified

MM2110101594 Moscow ROSSIYSKAYA GAZETA in Russian 21 Oct 94 Weekend Edition p 5

[Unattributed report: "CPSU: Goodbye Secrecy"]

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[FBIS Translated Text] The fuss over the CPSU's criminal activity has been continuing for several years. From lofty rostrums and in newspapers and on television people have been speaking of political murders and financial machinations which have resulted in fabulous sums being paid into party bank accounts. But most often there is no real documentary basis to these accusations. So far a large proportion of party documents were labeled "secret."

In that light the Russian Federation president's directive "on the commission to declassify documents created by the CPSU" is very topical. The directive notes that the secret documents created through 1963 inclusive should be examined by the federal organs of state power "as regards the justification for keeping them secret and their previous compliance with their level of secrecy." The federal organs have also been instructed to declassify archive documents whose term of secrecy has already expired.

According to Tatyana Pavlova, administration chief of the Russian State Archive Service, the "secret" label will be removed from all CPSU documents created right through 1991. It is true that this does not include those archives which are a state secret since state secrets, under Russian Federation legislation, must be kept at least 30 years after their "creation."

In Pavlova's opinion the declassification of party documents will make it possible soberly to investigate and assess the CPSU's activity and perhaps we will succeed in tracking down the "party billions." The commission which has been created will regularly inform the mass media of the work that has been done. So that sensational new materials may soon appear in the Russian press.

Zhirinovskiy Plane Allegedly Never in Danger

MM2110074594 Moscow ROSSIYSKAYA GAZETA in Russian 20 Oct 94 p 2

[Interview with Vladimir Bauer, chairman of the State Duma Committee for Organizing the Work of the State Duma, by Yevgeniy Skukin, date and place not given: "No Threat to Zhirinovskiy's Life"]

[FBIS Translated Text] Our correspondent talked with Vladimir Bauer, chairman of the Committee for Organizing the Work of the State Duma and member of the commission investigating the Kemerovo incident which allegedly endangered the lives of deputies in the Liberal Democratic Party of Russia faction.

[Bauer] The commission has ascertained that the plane had over three tonnes of fuel on board when it landed in Tomsk allowing the crew and passengers 45 minutes' flying time, which means in the first place that there is definitely no cause for the emotional reactions about a threat to people's lives. In the second place the signal that Kemerovo airport was closed was received by the pilot while he was still in the zone of radio contact with Omsk. So there was no question of foul play on the part of the aviation service.

However, there are two factors which gave the commission cause for doubt. The first is that the runway was damaged in the area where the plane's reverse thrust switches off. It was necessary to examine the depth of the cracks and dents. Point number two. It is unclear why machinery was on the runway for 40-45 minutes while the plane circled overhead.

[Skukin] Vladimir Anatolyevich, as someone responsible for organizing the work of the Duma how do you react to the scandal caused by Zhirinovskiy which almost led to a deputies' strike, if I may put it that way?

[Bauer] I have had a long conversation with Vladimir Volfovich. As a result he agreed with me that no faction has the right to make the entire chamber a hostage to its ambitions and reduce it to the level of the former Supreme Soviet. After all, if our entire energy is devoted to "letting off steam" in this way the voters will be entitled to ask: What is the point of a Duma which cannot do its main job?

[Skukin] The State Duma standing orders make great mention of deputies' rights but effectively make no mention of their duties. For example, the responsibility for nonattendance at sittings, which is how this ongoing scandal could develop. Are there any proposals on that score in the standing order amendments that your committee is receiving at the moment?

[Bauer] Well, the standing orders do mention the obligation to attend Duma and committee sittings. But this, of course, is just a statement and makes no mention of specific liability for nonattendance. The standing orders used by Finnish parliamentarians could be an example for us, clearly. In Finland the speaker can impose a very heavy fine on the offending deputy. In practice, however, I think that this fine has not been used even once in Finland because of the high parliamentary standards they have there (which took over 100 years to form). Such a norm would not be out of place in our standing orders too. But in addition I would borrow another norm from the Finnish standing orders which would seem essentially to be the opposite of the previous one.

[Skukin] ? [question mark as published]

[Bauer] Finnish parliamentarians vote not by lists [po spisochnomu sostavu] but according to the number of those present. That is also a reliable protection against collusion between two or more factions, which can quite easily defeat any question today.

Gang Busted, Uranium Recovered in Moscow

MM2010125594 Moscow Ostankino Television First Channel Network in Russian 0852 GMT 19 Oct 94

[From the "Novosti" newscast: Report over video of arrest of would-be uranium dealers]

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[FBIS Translated Text] [Announcer] Staff of the Federal Counterintelligence Service Economic Directorate together with the Ministry of Interior Main Administration for Combating Organized Crime have completed a unique operation thwarting the smuggling abroad of 27 kg of uranium.

[Unidentified correspondent] The dealers were hoping to get $1.5 million. Prior to dispatch, the container was kept for about a month in the Moscow residential district of Solntsevo, jeopardizing the lives of people living nearby.

A 12-member criminal gang has been detained. It was headed by Yuriy Kazaryan, a resident of Pyatigorsk and former director of the Interattraktsion Ltd., who has a criminal record for illegal storage of arms. The gang had a clear hierarchical structure—leadership, counterintelligence, and distributors, that is those in direct contact with the radioactive raw material.

An investigation is under way.

Migration Service Chief on Potential Refugee Problem

MM2210102594 Moscow IZVESTIYA in Russian 20 Oct 94 p 8

[ITAR-TASS report: "Migration to Russia from Former USSR Republics Will Reach 3-4 Million People by the Year 2000"]

[FBIS Translated Text] The number of migrants to Russia from the former USSR republics will reach 3-4 million people by the year 2000, ITAR-TASS' correspondent was told by Tatyana Regent, leader of the Russian Federation Federal Migration Service (FMS). According to her, the figure of 10 million refugees, frequently cited in the opposition press, is extremely exaggerated.

Of the 25 million Russians who find themselves outside Russia by force of circumstances, 2 million have already returned to the motherland. A further 10 million live in Ukraine, just as 11 million Ukrainians live in Russia. Such a migrational exchange is hard even to imagine; it is simply improbable, the leader of the FMS said. The largest influx of migrants is expected from the territory of Kazakhstan, where almost 6 million Russians live. This influx has already increased sixfold today, Tatyana Regent said.

She also drew attention to the fact that, although the rate of migration as a whole is not slowing down, its nature has changed somewhat. The leading factor "pushing" people out is not nationalism, but purely economic motives: However bad it might be to live in Russia, it is nevertheless significantly better than in the majority of former union republics. However, Tatyana Regent added, the majority of economic migrants do not turn to the FMS for help: They try to set themselves up, find work, and provide for their families independently, and do not claim refugee status.

In order to reduce potential migration, in the FMS leader's opinion, it is essential to continue work on the preparation and conclusion of intergovernmental agreements on resettlement and displaced persons, to find opportunities and forms for providing our compatriots abroad with the most effective, targeted economic aid, and—most of all—to make Russia's financial, economic, and credit policy with regard to the former USSR republics dependent on their policy vis-a-vis their Russian-speaking populations.

Economic Issues

Minister Says 1995 Budget Approved 'in General'

LD2010150294 Moscow Radio Rossii Network in Russian 1200 GMT 20 Oct 94

[FBIS Translated Text] At today's closed meeting of the Russian Government, the concept of the country's 1995 budget submitted by the Finance Ministry was approved in general. However, a number of important remarks were expressed, Yakov Urinson, Russian first deputy economics minister, has told INTERFAX. According to Urinson, despite the fact that the document will be seriously amended, its key parameters are likely to remain. According to the draft budget, the revenue of the state and economic entities in 1995 will amount to 755 trillion rubles, and expenditures will equal 826 trillion. The federal budget deficit is estimated at 77 trillion rubles; that is 8.3 percent of the gross domestic product.

Profit remains a major kind of revenue and is estimated at 203 trillion rubles; that is more than 20 percent of the total revenue, including 73 trillion from industry. The Finance Ministry proposes to practically abandon Central Bank credits for financing state budget expenditures. This will require a considerable limitation of the state's spending on centralized investments, subsidies to the coal industry, the agroindustrial complex, the housing and municipal sector, and so on.

Further on Approval of Draft Budget

LD2010173394 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] The Russian government largely approved the Finance Ministry-compiled draft budget at its closed session Thursday, despite the draft coming under heavy criticism, First Deputy Economics Minister Yakov Urinson told Interfax. Though the document will undergo significant review, its key provisions will, in all probability, be retained, Urinson said.

Under the draft of the consolidated budget, the state and businesses will earn 755 trillion rubles and spend 826 trillion. The budget deficit for the consolidated budget is forecast to stand at 72 trillion rubles. The federal budget deficit is forecast to be 77 trillion rubles, or 8.3 percent of the gross domestic product, while the GDP itself - 995 trillion rubles.

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Profit will account for 203 trillion rubles, or over 20 percent of revenue; of this, manufacturing industries will bring in 73 trillion.

The Finance Ministry called for discontinuing the use of Central Bank credits to finance the budget spending. To make this possible, the centralized investments, subsidies to the coal mining industry, the agro-industrial complex, the communal services and the regions, the defense spending and spending on government organs will have to be cut.

Urinson said that the defense spending will amount to 50 trillion rubles, or 5.4 percent of the GDP.

The Finance Ministry suggested spending 19 trillion, or about 2 percent of the GDP, on law enforcement agencies. The funds appropriated for state authorities will be 20 percent below the 1994 level.

More funds will be allocated to defense of socially vulnerable groups. In particular, more will be paid on pensions because the number of pensioners will grow. Nearly 175 trillion will be spent on social and cultural programs.

The budget deficit will be offset by issuing government bonds to be sold on the financial market and by attracting foreign credits, notably from international crediting organizations to consolidate the ruble.

These are the conditions, Urinson emphasized, under which the budget deficit can be offset through use of Central Bank credits.

Defense Committee Deems 1995 Spending Insufficient

LD2010221094 Moscow INTERFAX in English 1955 GMT 20 Oct 94

[FBIS Transcribed Text] The defense spending planned by the government for 1995—50 trillion rubles—means a radical cut in the Russian Armed Forces, according to the deputy chairman of the defense committee of the State Duma Nikolay Bezborodov (Communist).

On Thursday he reminded journalists that last year the Defense Ministry asked for 87 trillion but got in fact less than half of the sum: 40.6 trillion. Besides, at the moment defense programs are getting only 60 percent of the promised means.

In Bezborodov's opinion the latest suggestions of the government are incomparable even with last year's budget which "made the armed forces starve."

Yeltsin, Chernomyrdin Plan Budget Discussions

LD2010200294 Moscow INTERFAX in English 1600 GMT 20 Oct 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Wednesday evening President Yeltsin told the editors-in-chief of Russia's leading media editions that he and Prime Minister Chernomyrdin were planning to discuss a draft federal budget for 1994.

On Wednesday Boris Yeltsin told the editors-in-chief of Russia's leading media editions that he saw no reason whatsoever for reports on Chernomyrdin's possible resignation. Although he and Chernomyrdin could show differences, they were always open about them, Yeltsin said.

Thursday morning a closed-door sitting of the Chernomyrdin Cabinet endorsed the basic provisions of the Finance Ministry's concept for next year's federal budget. The Ministry put the revenues of the consolidated budget and the budgets of Russia's business facilities at 755 trillion rubles and consolidated spending—at 826 trillion rubles. It expects the consolidated budget to be squared with a deficit of 72 trillion rubles and the federal budget—with a 77 trillion- ruble deficit which makes 8.3 percent of the gross domestic product. The Finance Ministry expects the gross domestic product to amount to 995 trillion rubles.

Chernomyrdin told his cabinet that prices could stabilize and come to grow 5 to 7 percent by year's end. He rejected forecasts for skyrocketing (20 to 30 percent) inflation which is to set in in the wake of "the black Tuesday", October 11.

According to Chernomyrdin, a low inflation rate, predictable positive interest rates and a stable national currency unit provided for an end to the crisis and steady national advance.

The first half of this month proved how expensive inconsistency in financial policies was, Chernomyrdin said.

Analysts assume that Yeltsin and Chernomyrdin will devote several of their next rendezvous to the ruble drop of October 11. Talking to the editors-in-chief, Yeltsin held the Central Bank and its chairman Viktor Gerashchenko to blame for the ruble drop. Yet, it remained to be seen whether there was a conspiracy, Yeltsin said. According to Yeltsin, bankers prefered to see what happened as normal although "civilized countries, say, the United States, saw that kind of developments as a punishable conspiracy."

So far Gerashchenko and Dubinin escaped unscathed but, Yeltsin said, "they may be in for more action. Let the government commission report its conclusions and it will be clear what actually happened." Yeltsin accused the Central Bank of intending to buy one sum and actually buying quite a different sum of money on October 11.

For some reason, the Central Bank failed to draw on the country's gold reserves to check the ruble drop although,

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Yeltsin said, the currency exchange warned Gerashchenko that the ruble was losing value at breakneck speed.

Although he was entitled to do so, Gerashchenko made no move to interrupt the tender. It would be interesting to learn why Gerashchenko acted the way he did on October 11, Yeltsin said.

According to Yeltsin, Gerashchenko would not want to resign and insisted that the State Duma vote him out of office. Then, Yeltsin called him over to make it clear that he took office, under a presidential decree, before the State Duma came into being and before the country's new constitution was adopted, so that it would be legally right for the head of state to issue a decree to remove him from office. The decree would make it very clear why he was sacking Gerashchenko, Yeltsin presumably said. That last argument, according to Yeltsin, brought Gerashchenko to sign a letter of resignation.

Chernomyrdin Notes Government Consensus for Reform

LD2010205694 Moscow ITAR-TASS in English 1955 GMT 20 Oct 94

[FBIS Transcribed Text] Moscow October 20 ITAR-TASS—"The approval of the 1995 budget has indicated not only the government's unity," Russian Prime Minister Viktor Chernomyrdin said, summing up a day-long government session. ITAR-TASS was told by insiders in the government apparatus that Chernomyrdin stressed that "the course for radical improvement of reform efficiency, the strengthening of the rouble, urgent restructuring in the economy and the barring of speculative enrichment was unanimously endorsed."

This is a real way to financial stabilisation of the Russian economy by the end of the next year, with transition to policies of economic growth in 1996, Chernomyrdin was quoted as saying.

"Submitting the draft federal budget to the Duma, the government hopes for constructive cooperation with deputies of both Federal Assembly chambers, and is ready to cooperate with all political forces which stand for radical reforms," the prime minister said.

Chernomyrdin Views Signs of Economic Recovery

LD2010141794 Moscow ITAR-TASS in English 1346 GMT 20 Oct 94

[FBIS Transcribed Text] Russia's Prime Minister Viktor Chernomyrdin believes there are ways and means to stabilize prices and limit their growth to 5-7 percent by the end of the year. Speaking at a closed cabinet session in Moscow Thursday, he refuted a prediction that after 'Black Tuesday' of October 11 on Moscow's Interbank Currency Exchange, inflation in Russia would mount to 20-30 percent.

"From October 11 to 15 we already witness a 6 percent growth in prices in the economy as a whole. In a number of regions, prices grew even more—12-14 percent. Nonetheless, I do not see any reasons for panic. Despite predictions by many 'good wishers' and 'advocates' for Russia, there won't be any 20 or 30 percent inflation growth in October. There are ways and means to stabilize prices and limit their growth to 5-7 percent up to the end of the year, and it is our duty to achieve that," Chernomyrdin said.

The premier noted that stable signs of industrial recovery are in sight at last. In his words, industrial production growth from September 16 to October 16 (with the seasonal factor taken into account), was over 15 percent. However, Chernomyrdin stressed, joy would be premature. "We will crush these shoots, if we fail to contain inflation and resolutely stem inflationary expectations," Chernomyrdin remarked.

According to him, economic development in Russia in 1994 has shown that better economic performance directly depends on stable and consistent finances. In his words, to get out of the crisis and guarantee steadfast development, it is necessary to comply with three major principles: low inflation, predictable and feasibly positive interest rates, and a stable national currency.

What happened in the first half of October has shown the price of the slightest fiscal error, Chernomyrdin stressed, and urged his colleagues to make the critical decision and determine what to do and where to go.

"Today, we must adopt a political decision in keeping with the policy of reform and the experience gained by the government over the last two years of its work," Chernomyrdin said. In his words, 1995 can be crucial to the Russian economy in the sense of choosing a path for further development.

He warned that the recession could result in a creeping depression, if economic mechanisms were not switched on to improve the economic situation in 1995 and pave the way for upward development in 1996-1997.

In his words, that could be achieved by slashing the federal budget deficit, bringing inflation down, ensuring a better investment climate and higher living standards.

Addressing ministers and department chiefs, Chernomyrdin stressed that each of them should learn to work in the conditions "of an accurately calculated real budget" rather than hope that "something more will be given to his department" to implement the budget.

A copy of Chernomyrdin's speech at the closed cabinet meeting was made available to Interfax by the government's press-service.

Labor Minister: Economic Crisis 'Structural'

LD2010142494 Moscow ITAR-TASS in English 1405 GMT 20 Oct 94

[By ITAR-TASS correspondent Oleg Velichko]

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[FBIS Transcribed Text] Moscow October 20 TASS—"The Russian economy has switched from a general crisis to structural," Russian Labour Minister Gennadiy Melikyan said in an interview with ITAR- TASS here on Thursday. "Until recently," he noted, "a general slump of production was registered virtually in all the industries of the Russian economy.

"The government now faces a situation when the slump decelerated in most industries and even stopped," he added. "Moreover, some upsurge is observed in the metallurgical and other industries."

Melikyan claimed that the recent rouble collapse retarted the process of stabilisation. Thereby, he continued, conditions for investments deteriorated.

"The shortage of working capital experienced by enterprises and difficulties with reproduction are caused by high inflation," he said. "On settling these issues, we can justifiably claim that we are on the threshold of renovating our economy."

Forecasting inflation rates for November, the minister underlined that this will directly depend on the government's policy. New credits will inevitably increase inflation rates. Besides, he added, depreciation of national currency always whips up inflation.

Ministry Urges Regions To Heed Federal Budget Needs

MK2010104094 Moscow SEGODNYA in Russian 20 Oct 94 p 2

[Report by Yelena Tregubova under the "Seminar" rubric: "Economy Ministry 'Ready To Consult' Regions on Budget, But Demands That 'Federal Interests Be Heeded'"]

[FBIS Translated Text] The seminar "Socioeconomic and Legal Aspects of Regional Policy" has opened at the Nationalities Ministry. Yuriy Petrov, chief of the Economy Ministry's combined administration, told its participants that in the next few days his ministry would pass to the State Duma a package of proposals on improving the financial-budget system. Mr. Petrov assured them that the ministry "is ready to pursue a budget policy that dovetails with Federation components' requirements."

In accordance with this package of proposals, government authorities at any level, in his words, will have "their own" taxes and will dispose of them in the interests of their regions. At the same time, Mr. Petrov warned, the government is determined to make sure that regional authorities "heed national interests." "If the Federation components do not fulfill their obligations to the federal budget, the federal government, too, will not be able to settle accounts with the regions and to support them by federal programs or by other means," Mr. Petrov said. He called for "the strict responsibility of every body of authority for violating budget arrangements to be laid down legislatively."

Representatives of federal ministries also agreed that clear legislative restrictions on state subsidies and loans to the regions need to be imposed. Aleksandr Pozdnyakov, deputy nationalities minister, asserted that if "tied" funds (for instance, money allocated to supply goods to the North) fall into the hands of local authorities, they tend to be used "for purposes that are fairly far-flung from the stated aims of the loans." Yuriy Petrov, for his part, complained that transfers (which, he said, are already being called by many as "a new type of handout") are being given without taking into account the regions' economic level whatsoever and are still being solicited by regional lobbies.

The Economy Ministry suggested that regional chiefs draw up financial balance sheets for their territories that would include not only budgetary, but also extra-budget revenues. Such balance sheets will make it possible to switch to the allocation of subsidies on a proportionate basis, depending on the economic state of the regions.

Judge Says Gerashchenko's Dismissal Not Illegal

LD2010204494 Moscow INTERFAX in English 1655 GMT 20 Oct 94

[FBIS Transcribed Text] Constitutional Court Justice Gadis Gadzhiyev does not consider illegitimate President Yeltsin's recent decision to sack the chairman of the Central Bank Viktor Gerashchenko. Although he decline to elaborate on this in an interview with Interfax on Thursday, the justice remarked that Gerashchenko was appointed by Yeltsin's decree before the new constitution was adopted.

Paper Relates Gerashchenko Resignation Saga

MM2010110194 Moscow IZVESTIYA in Russian 20 Oct 94 p 2

["Own information": "How Gerashchenko Formed His 'Own Wish' To Leave the Central Bank"]

[FBIS Translated Text] Certain details are emerging about how Central Bank Chairman Viktor Gerashchenko was dismissed.

On the day after "Black Tuesday" he was summoned to see Sergey Filatov, head of the presidential staff, where the exchange of pleasantries was followed by the question: "Is it true that you plan to resign?" Having heard in response: "No, I have no such intentions," Filatov—who undoubtedly had not asked the question on his own initiative—cut short the conversation.

On Thursday [13 October] Gerashchenko, having been summoned from a session of the commission investigating the causes of the ruble crash, was informed that the president wanted to see him in his office the following day.

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At the meeting which began at 1430 hours Friday Yeltsin leveled three specific charges against the Central Bank chairman: of having no monetary policy concept, of failing properly to organize controls over the activity of the bank's regional departments, and of failing to fulfill certain previous presidential edicts, in particular those concerning the cadre situation in the Central Bank. Having heard out Gerashchenko's explanations and arguments, the president remarked: "Well, OK, let's drop this.... But what about our long-standing agreement that, if I ask, you will resign?"

A little prehistory: Yeltsin first suggested that Gerashchenko resign back at the end of April 1993, probably directly after the referendum. There are, true, other versions of the origins of Yeltsin's proposal. Gerashchenko at once gave his assent, but the matter was in the final analysis left unresolved.

This time Yeltsin, recalling last year's agreement, suggested that the head of the Central bank resign after all and handed him his notepad, on which Gerashchenko was supposed to write a resignation statement. The reasoning? "Resignation at my own request."

On the same day, Friday, Gerashchenko received a phone call from the State Legal Administration asking him to withdraw the statement, since it did not square with the constitutional provisions, which say that the president's ideas about the appointment or dismissal of the Central Bank chairman should be passed through the State Duma.

Gerashchenko did not withdraw the statement, and a day later left for London to participate in the work of the Moscow Narodnyy Bank audit commission, of which he is member.

The former Central Bank chairman returned to Moscow 19 October.

Black Tuesday Scandals Allegedly Could Recur

MM2010113194 Moscow IZVESTIYA in Russian 20 Oct 94 p 2

[Report by Vasiliy Kononenko: "Heroes of 'Black Tuesday' Will Not Be Found]

[FBIS Translated Text] On 18 October B. Yeltsin assembled the Security Council in order to hear reports by O. Lobov and S. Stepashin on the work of the state commission investigating the reasons for the massive fall in the ruble rate on the Moscow Interbank Currency Exchange 11 October. As we know, following "Black Tuesday," the president gave this commission three days in which to ascertain the circumstances of the extraordinary event, as he put it. According to information which the editorial office has at its disposal, the report was put together last Friday night. Nevertheless it did not prove possible to conduct the Security Council sitting at the scheduled time.

This was not because the president was busy, but for completely different reasons. The commission was trying to find a way out of the stalemate situation in which it found itself against its will. After all, even in three days of super-intensive work it could not find the instigators and participants in the vast financial swindle, and in particular, prove the guilt of specific individuals and organizations. The commission found the following formula in order to get round the vulnerability of its position: To break up the process of the investigation as if into two phases, and make a preliminary assessment of what had happened, while the specific culprits (scapegoats?) would be sought by the law enforcement organs.

The official report on the 18 October Security Council sitting indicates that these were objective reasons for the collapse of the ruble rate. They include the fall in production, the state budget deficit, and so on. The fact that the organs of executive power did not take any measures commensurate with the situation was named as a subjective reason. The commission was instructed to continue its work. However, there will most likely be nothing sensational in this matter.

From what officials of state structures participating in the work of the state commission said, documents and explanations from various organizations and commercial banks having a direct or indirect relation to the currency auctions on the Moscow Interbank Currency Exchange were requested as early as 12 October. A Federal Counterintelligence Service group involved in the operation observation and analysis of major currency transactions was also put into operation. O. Lobov had to visit S. Stepashin in order to familiarize himself with such information. Alas, it did not prove possible to find any fact which would unerringly confirm the story about a plot by commercial banks, as certain sources are claiming.

None of the members of the prestigious commission ventured to invite the premier himself to a discussion. This was done on behalf of the commission by the president, who had a private conversation with V. Chernomyrdin 13 October. Such meetings traditionally take place without any transcript being made. Therefore the commission obtained no information. Thus, the second version—only V. Gerashchenko and V. Chernomyrdin could have planned the collapse of the ruble rate—remains unconfirmed.

As a result, the commission had to restrict its activity to establishing the political aspects of the emergency and leaving the criminal procedure actions to one side. In this respect, the experts' verdict was as follows. With a poor, not to say primitive, legislative base for regulating currency transactions, scandals like that of 11 October are possible and cannot be ruled out in the future.

But for the moment it has been decided to use simple levers by way of guarantees against new upheavals on the financial market. T. Paramonova, acting chairman of the Central Bank, reported on her personal responsibility for

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the stability of the ruble rate. The government was instructed to adopt urgent measures in this sphere. The National Banking Council is being formed under the Central Bank. Proposals on its staffing must be presented by the relevant departments in the near future (the report does not say anything about the representation of independent bankers in the council).

The state commission needs around two weeks to prepare the final conclusions, competent sources maintain. However, even at the next sitting of the Central Bank specific culprits will not be named. Auditors' checks in commercial banks (financial and law enforcement organs will be involved in these) will require a lot of time. There is practically no chance of establishing their true role in the 11 October auctions.

Committee Moves Plan To Regulate Ruble Rate

MK2010130094 Moscow KOMMERSANT-DAILY in Russian 20 Oct 94 p 1

[Report by Vyacheslav Sirotkin: "The Banks Will Have Fewer Opportunities for Speculative Games"]

[FBIS Translated Text] In spite of the fairly rapid restoration of balance on the financial market, the events of Black Tuesday have led state bodies to doubt the efficacy of the mechanism of foreign exchange operations. In particular Yuriy Danilov, deputy chairman of the Russian State Committee on Antimonopoly Policy (RSCAP), yesterday expressed the committee's proposals on adjusting the mechanism for defining the rate of the dollar.

According to experts with the Commission on Commodity Exchanges under RSCAP, the unprecedented jump in the rate of the dollar in a trading session on the Moscow Interbank Currency Exchange, which disrupted all things financial, was caused by, apart from other things, the lack of a mechanism to control pricing in foreign exchange operations, which is obligatory for commodity exchanges. Yuriy Danilov expressed RSCAP's opinion about the need to impose a ceiling on changes in the rate of the dollar within a trading session. This practice is widely used on Western exchanges as well as on the Russian currency futures market.

The committee's proposals also contain quantitative guidelines for maximum deviations. According to Danilov, the limit of deviations in quotations during one session one way or the other should be established "at a level of 75 rubles, or 4-5 percent." It is not clear, however, what led RSCAP experts to provide such parameters, especially considering that with the current level rate, a deviation of 75 rubles makes not 4-5 percent, but only 2.5 percent.

Even so it is obvious that limiting fluctuations in the rate will provide sufficient guarantees that Black Tuesday will not be repeated. From this point of view, the RSCAP proposals appear quite warranted. It is another matter that, if they are implemented, the dependence of the rate of the dollar, established at trading sessions, on the general situation in the financial and economic sphere will weaken. Given that the Central Bank has introduced a rule whereby banks are to deposit reserve funds on an exchange's clearing account (incidentally, such a proposal is also contained in the commission's statement), one can expect a sharp fall in the banks' interest in exchange sessions and therefore a reduction in the exchange's representative character.

Banking Council Seen as Threat to Bank Autonomy

MK2010122094 Moscow NEZAVISIMAYA GAZETA in Russian 20 Oct 94 p 1

[Report by Vladimir Sanko, Sergey Rybak in the "Edict" column: "Good-Bye, Independence of the Central Bank? Ruslan Khasbulatov's Dream Is Coming True"]

[FBIS Translated Text] The events of the past week on the foreign exchange in Moscow reflect the general state of Russia's monetary-credit system. With the view to improving this system Russian Federation President Boris Yeltsin signed an edict on creating a National Banking Council. The edict declares wishes but does not define the newly formed council's functions or powers. All of this is to be formulated in the Statute on the National Banking Council which is to be presented by Central Bank acting chairperson Tatyana Paramonova by 15 November. Such uncertainty on what is the key question in no way helps the edict's proclaimed objectives.

If the National Banking Council is placed under the Central Bank, as is indicated in an ITAR-TASS report, it will therefore have advisory functions. But it is most likely that the edict's authors are going to invest the council with powers to make decisions binding on the Central Bank. This likelihood was confirmed by the Central Bank's press service. Given that the personal composition of the council, which, under the edict, is to include representatives of the presidential staff, the government, and banks, as well as experts, is also to be coordinated only with the presidential staff and the Russian Federation Government, the independence of the Central Bank from the executive branch will be done away with.

Even now this independence has been purely nominal. The actions by the Central Bank and its head toward maintaining the overvalued rate of the ruble in recent months obviously show that they fully support the political and economic ambitions of the presidential staff and the government. This has failed to salvage Viktor Gerashchenko, however, although it is clear to everybody that last Tuesday an overheated boiler blew up.

Presumably, the adoption of the edict on the National Banking Council will aggravate confrontation between the president and parliament which emerged following

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the dismissal of Viktor Gerashchenko and the appointment of Tatyana Paramonova: Under the Constitution, this is the prerogative of the State Duma.

Only one presidential expert agreed to talk about the council's functions. According to the expert, he "has not seen" the text of the edict at the moment of the conversation.

The idea to create an oversight council emerged a long time ago: It was formulated by Ruslan Khasbulatov. It owes its translation into life today mainly to Viktor Gerashchenko's resignation as Central Bank chairman. According to the expert from the presidential staff, the creation of the council has been conditioned by "replacements in the Central Bank leadership." Gerashchenko has resigned; Dmitriy Tulin, who earlier was responsible for coordinating the activity of commercial banks, the issue of licenses to them, and so forth, has departed to represent Russia at the IMF. Tatyana Paramonova, who was earlier in charge of settlement operations and budget matters, has taken up the position of acting head of the Central Bank. Earlier, Viktor Gerashchenko's deputies and he himself were members of the board of directors whose efficiency is now in question.

It is expected that the oversight council will include, in addition to the above figures, the finance minister and representatives of the Association of Russian Banks. The council's functions will be to ensure an effective management of the Central Bank. Its main object of activity will possibly be to maintain further control of commercial banks because in the very near future they will be taking more active efforts to lobby their interests and facilitate their work through ensuring a revision of procedures for licensing and oversight of their activity. Furthermore, the council will continue to have to uphold the "vertical links" between various Central Bank structures. For instance, experts do not rule out that contradictions could arise between regional authorities and the Central Bank leadership. The local authorities will most certainly be seeking to place Russian Bank divisions under their control.

So far it is impossible to tell how long the council will exist. The situation could clear up after the Duma discusses and approves the candidacies for the posts of finance minister and head of the Central Bank. According to the expert from the presidential staff, the current law does not define the functions of the Central Bank acting chairman. Duma factions will discuss the candidacies in a few days.

Such is the presidential staff's view on the current situation. It is noteworthy that it admits that difficulties have emerged after Viktor Gerashchenko's resignation. Other explanations of the need for such an edict are just as subjective: the absence of the legislative separation of functions between the federal and regional authorities and the lack of a coherent banking legislation.

The latest comments about the time frame and the opinion of the State Duma are very indicative. [sentence as published] Haste in decisionmaking brings about a new conflict while the previous one has not been settled. The presidential staff and the president himself apparently have an unambiguous understanding of the need to pursue a more coherent and consistent economic policy: to take full control of everything.

Presidential Edict on Banking Council

95P50006A Moscow ROSSIYSKAYA GAZETA in Russian 20 Oct 94 p 1

["Edict of the President of the Russian Federation on the National Banking Council"]

[Text] With the goal of improving the monetary-credit system of the Russian Federation I decree:

1. To create under the Russian Federation Central Bank a National Banking Council.

2. To establish that representatives of the Russian Federation Presidential Administration, the Government of the Russian Federation, banks, and also experts are members of the National Banking Council.

The chairman of the Russian Federation Central Bank will be the chairman of the National Banking Council.

3. To present, by 15 November 1994, as agreed upon with the Russian Federation President and the Russian Federation Government, a draft statute on the National Banking Council and suggestions for its personnel to acting Russian Federation Central Bank chairman T.V. Paramonova.

4. This Edict enters into force from the moment of its signing. [Signed] Russian Federation President Boris Yeltsin
[Dated] Moscow, the Kremlin
18 October 1994
No 2002

Bank Head Nominee Frustrated by 'Vagueness' of Status

MM2010122594 Moscow IZVESTIYA in Russian 20 Oct 94 p 2

[Report by Ivan Zhagel: "Acting Central Bank Chairman Not Yet Ready To Speak About Monetary Policy Prospects"]

[FBIS Translated Text] Tatyana Paramonova, who has been appointed by presidential edict to the post of acting chairman of the Central Bank, stands out among all the Central Bank's leading officials in that, as far as I know, she has never given an interview.

And for the time being she does not plan to retreat from her principles, although her position obliges her to change her ways, so to speak: The Central Bank is a highly important organ of state power, and its policy should be known to people, including ordinary Russians. Nevertheless, we were told at T. Paramonova's office

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that she is not yet ready to talk to journalists and has categorically forbidden her staff from putting anyone through to her. She has honestly admitted to her close colleagues that the vagueness of her status and her term of office prevents her from acting energetically or making any long-term plans. It would be all the more foolish to make any program statements in this situation. It is also claimed that she has not even had a telephone conversation with the president—which increases the vagueness of her position still further.

Many senior Central Bank people believe that the fact that she was appointed to the post by presidential edict, although according to the Russian Federation Constitution this is the prerogative of parliament, also does nothing to increase T. Paramonova's confidence. Incidentally, it is noticeable that in recent times the president has taken up active leadership of Central Bank, thereby creating juridical anomalies.

For instance, another of his edicts adopted on Tuesday directs that a so-called National Banking Council, on which representatives of the presidential staff, the Russian Federation government, and the banks and experts are to sit, is to be set up under the Central Bank. However, the Russian Federation Law "On the Central Bank of Russia" certainly does not provide for such an organ. Moreover, a new version of this law, which also does not say a word about a National Banking Council, has now already passed its first reading in parliament.

Equally interesting is the fact that the president has instructed T. Paramonova to set up this council. But it was she, as V. Gerashchenko's deputy, who fought desperately with the entire Central Bank team to prevent any superstructure or consultative body from being imposed on the Central Bank.

Ruble's Collapse No Effect on Trade

LD2010141494 Moscow ITAR-TASS World Service in Russian 1250 GMT 20 Oct 94

[By BIZNES-TASS correspondent Irina Bolshova]

[FBIS Translated Text] Moscow, 20 Oct (ITAR-TASS)—Last week's collapse of the ruble-dollar exchange rate has had virtually no effect on Russian exports or imports, a BIZNES-TASS correspondent was told today by Oleg Davydov, Russian Federation minister of foreign economic relations. But currency market instability led to the cost of insurance increasing from 15% to 25% of contract value. This creates an additional barrier for foreign companies operating in the Russian market.

Oleg Davydov regards it as essential to establish very soon at the Interbank Currency Exchange an upper limit for possible daily price fluctuations within a 1-2% band. If the exchange rate starts to exceed that figure, the exchange must close in order to analyze the situation. The exchange does not have the right to devalue the ruble. That is the exclusive right of the Russian president and parliament, the minister stressed.

Market Crash Seen Resulting in Loss of Confidence

MM2010130794 Moscow ROSSIYSKIYE VESTI in Russian 19 Oct 94 p 1

[Unattributed comment by unnamed "Statesman" under the general heading "The Following Stated Their Opinions Alongside the Newspapers": "The Gain Seems Double-Edged...."]

[FBIS Translated Text] The state's gain from "Black Tuesday" is looking very double-edged, a staffer from the government's apparatus who wished to remain anonymous says. On the one hand, having sold its foreign currency reserves at their maximum value on the exchange, the government will finally be able to pay off its debts to the agro-industrial complex and in the social sphere. But the price market which resulted from the foreign currency fever will eat up this money very quickly. So that if the government is apparently gaining, its loss at a fundamental level is clear. As a result of this a lack of confidence has arisen in the possibility of stabilizing the Russian economy in the near future and in the effectiveness of the current reforms. It will only be possible to overcome this lack of confidence once the ruble exchange rate rises once more.

Minister Says Government Plans To Control Inflation

LD2010143994 Moscow ITAR-TASS in English 1417 GMT 20 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow October 20 TASS—Inflation rates in Russia in October are not expected to exceed 15 per cent, First Russian Deputy Economics Minister Yakov Urinson said during an intermission of a session of the Russian Government which has been discussing a draft budget for 1995.

Urinson said that if the parliament endorses a tough draft budget, the government is planning next year to keep inflation rates at an average monthly level of 2 per cent, and by the end the year curb inflation rates so that they do not exceed 1-1.5 per cent a month.

However, following a dramatic fall of the rouble in October, inflation rates will not be stabilized soon. In the first quarter of 1995, inflation rates are expected to reach 3-4 per cent a month. However, Urinson pointed out that these parameters might be guaranteed on condition of a tough financial policy, reasonable investment policy oriented to self-financing and repudiation of credit loans from the Central Bank.

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Inflation Target Not Expected To Be Met

MM2110112994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21-24 Oct 94 (from the SUPERMARKET section) p ii

[Report by Yelena Arakelyan under the "Statistics" rubric: "The Shadow of the Father of Inflation Dogging Yeltsin"]

[FBIS Translated Text] In October the ruble will have depreciated across one-sixth of the earth's surface, losing one-sixth of its value, of course.

Inflation had slowed down over the summer but in September started to grow again—along with the mushrooms and the dollar. According to statistics from the Russian Government's Center for the Economic Situation, the cost of living has risen by 7.7 percent over the month. In the first week of October alone prices rose by 2.3 percent.

Specialist statisticians have still not worked out what the effect of the week following 11 October, "Black Tuesday," will be for us. What is clear, however, is that even without the upheavals in the currency market inflation would hardly have remained at the 6- to 7-percent level predicted by the Finance Ministry.

The prices of some foods rose sharply even without waiting for the "ruble crash" in October. Prices for chicken's eggs and vegetable oil rose by an average of 25-28 percent in September across Russia and by a further 5-6 percent in the first week of October. Not far behind the "leaders" were sugar and salt (16-22 percent and 3-5 percent respectively) and bread and bakery products (11 percent and 3 percent).

Prices for services rose even faster than prices for food. In the first week of October city transport prices rose by 7 percent and charges for housing and municipal services rose by 5.8 percent. Long-distance train journeys were 50 percent more expensive than at the start of September.

The highest increases in prices for nonfood goods at the beginning of October—prior to the currency chaos they were increasing most slowly of all—were for gasoline (3.5 percent a week), children's goods (3-4 percent), hosiery, wallpaper, and matches (3-5 percent).

For the information of those who like to travel, the lowest prices in Russia are still to be found in Ulyanovsk. But it is best to keep away from Magadan—it is still the absolute leader in terms of cost-of-living increases. The basket of 19 basic foods costs approximately four times as much in Magadan as in Ilich's home town. In the list of 130 cities where prices are being closely monitored by the statisticians, Moscow remains in a confident 30th place. In terms of living costs it is 10 points ahead of its own oblast and six points ahead of St. Petersburg.

According to forecasts from the Center for the Economic Situation, if the government continues talking about a financial stabilization policy instead of implementing it, we are guaranteed an inflation figure of at least 7-12 percent a month before the end of the year when the after-effects of "Black Tuesday" are taken into account.

Despite Vice Premier Shokhin's desire to enter 1995 with an inflation level of 1.5 percent, the grim dollar reality in October will reduce the ruble's value by at least 15 percent, in our opinion. It can only be kept down to the required threshold by clamping down really tight on all money payments.

Unemployment Statistics Cited

MM1910124994 Moscow IZVESTIYA in Russian 19 Oct 94 p 9

[Report by Tatyana Khudyakova: "The Level of Unemployment in Russia is 1.7 Percent"—From the "Ekspertiza" section]

[FBIS Translated Text] The Russian Federation Federal Employment Service has published the latest data on the state of the labor market. As of 1 September, 1.651 million citizens not engaged in labor activity had been registered, including 1.392 million unemployed. There was an increase of almost 64,000 unemployed during August. Their numbers have increased 70 percent since the beginning of the year—which attests to quite a high rate of growth in unemployment.

More than one-fourth of the newly unemployed were dismissed from enterprises, organizations, and establishments. The process of dismissal is taking place most intensively in the Karachayevo- Cherkess Republic (growth of 280 percent since the beginning of the year), in Orel Oblast (200 percent), in the Jewish Autonomous Oblast (220 percent), and in Amur Oblast, Khabarovsk Kray, Khanty-Mansiysk Autonomous Okrug, and Tatarstan.

But the champions in terms of the level of unemployment remain Ingushetia (8.3 percent of the able-bodied populaton) and central oblasts of Russia—Ivanovo (7.9 percent), Yaroslavl (5.6 percent), and Pskov, Kostroma, and Kirov Oblasts (5.4-5.2 percent).

There are still few vacancies—just over 400,000—and the lion's share of free places are earmarked for workers. In regions with a high level of unemployment the number of applicants for a single free workplace ranges between 66 and 124 people.

1.687 Million Unemployed Forecast

LD2010143794 Moscow ITAR-TASS in English 1416 GMT 20 Oct 94

[FBIS Translated Text] Moscow October 20 TASS - BUSINESS-TASS—The number of unemployed in Russia will reach 1.687 million by the end of December 1994, constituting 2.01 per cent of the entire able-bodied work force of the country, the Centre of Economic Affairs working under the Russian Government told BUSINESS-TASS.

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According to the centre's assessment, a total of 1 million 497 people were recognized as jobless in the current month, 1.78 per cent of the able-bodied population. For comparison, in July these figures were 1 million 324 thousand and 1.58 per cent respectively.

The maximum level of unemployment was noted in the Ivanovo, Yaroslavl, Pskov, Kostroma and Kirov regions (from 5 to 8 per cent). High level of unemployment was recorded in the republics of Daghestan, Kalmykia, Mordovia, Chuvashia and Udmurtia, as well as in the Arkhangelsk and Vladimir regions (from 3 to 5 per cent).

The minimum level of unemployed was registered in the Republic of Sakha (Yakutia), the Smolensk region, and Moscow city (less than 0.5 per cent).

Regional Affairs

Opposition To Attack Groznyy When 'Situation Demands'

LD2010185394 Moscow ITAR-TASS in English 1824 GMT 20 Oct 94

[By unidentified ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow October 20 TASS—Leader of the Chechen provisional council Umar Avturkhanov said on Thursday [20 October] that forces loyal to President Dzhokhar Dudayev failed to rout the opposition in Wednesday fighting and that the morale of the opposition forces is high. They are ready to launch new attacks on Groznyy "when the situation demands."

"Despite Dudayev's expectation the latest combat consolidated the opposition and raised the morale of its supporters," Avturkhanov told TASS by telephone.

The opposition is in a decisive mood and ready for action at any time. "However, this would be done only when the situation demands," he said, but did not elaborate.

Avturkhanov added that yesterday fighting in the town of Urus-Martan was the "bloodiest" in the interChechen conflict, according to him, Dudayev lost 100 men killed and five armoured vehicles, while the losses of the opposition amounted to only five killed and 11 wounded.

However, he admitted that the actual number of casualties might be bigger as there were victims also among civilians. Thirty-one person was buried today in Urus-Martan and there are a lot of wounded in the local hospital.

Avturkhanov made it clear that mostly mercenaries fight on Dudayev's side. He said there were many Azeris, Daghestanis, Russians, Ingushis and even citizens of the Baltic states among the killed soldiers of government forces.

The central military hospital of Groznyy and the republican hospital there are overcrowded with the wounded, he added.

Avturkhanov tried to explain the retreat of opposition forces from Groznyy on Sunday by saying that the attack on the capital was only combat reconnoisance. However, he admitted that Dudayev qualified it as his victory and decided to substantiate it by new combat successes. "Only in that case could Dudayev hope that disillusion and apathy will make most of opposition supporters go home," he said.

Dudayev had gathered all his forces and attacked Urus-Martan where it was difficult for the opposition to use artillery and combat helicopters because the settlements are situated very close to each other. According to Avturkhanov, some 200 highly-trained militants armed with sniper's rifles and grenade launchers participated in the offensive.

Supported by artillery and armour, they attacked Urus-Martan, Goity and Gekhi and blocked the batallion of the provisional council on the territory of a former military township. Until midday the opposition failed to unblock the batallion because of heavy fire from Dudayev's forces, according to Avturkhanov.

However, reinforcements were sent from nearby settlements and grenade launchers and ammunition were delivered on 12 cars from the settlement of Znamenskoe. Besides, terrorists were dispatched to Groznyy. The opposition counterattacked and succeeded to repel the government forces by evening, Avturkhanov said.

Opposition Leader Requests Yeltsin Intervention

LD2110130394 Moscow INTERFAX in English 1130 GMT 21 Oct 94

[FBIS Transcribed Text] The leader of Chechnya's opposition Provisional Council Umar Avtorkhanov requested President Yeltsin, Prime Minister Chernomyrdin, Defense Minister Grachev and the Minister of Internal Affairs Yerin to "intervene in Chechen developments to check the large-scale killings of civilians by the Dudayev Administration."

On Friday the Council's press secretary Ruslan Martagov told Interfax that the request was based on similar demands from the Urus-Martanovskiy, Groznenskiy, Nadterechnyy and several other districts. Representatives of those districts visited the Council's headquarters at the village of Znamenskoye on October 19, soon after government attacks on villages in the Urus-Martanovskiy District.

Opposition spokesmen say that 48 civilians and 6 opposition militants were killed in the Urus-Martanovskiy District.

The Provisional Council is still waiting for Moscow to confirm the reception of fax messages from Znamenskoye, Martagov said.

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Groznyy Blames Russia for Escalation in Conflict

LD2010205194 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 20 Oct 94

[Telephone report by correspondent Sergey Yegorov; from the "Novosti" newscast]

[FBIS Translated Text] A sitting of the Chechen Cabinet of Ministers is being held at this moment in the government building. The government discussed a resolution on yesterday's events in Urus-Martan Rayon. The Novosti correspondent has managed to see the draft of the resolution before the sitting. In it the Chechen Government declares that all responsibility for the escalation of the military conflict in Chechnya lies with the Russian Government. The resolution also mentions the Russian special services playing an active part in the events. These services—I quote—are provoking the armed confrontations on the territory of Chechnya. According to official information from Chechnya's Interior Ministry, Bislan Gantemirov's group was practically rendered incapable for further combat activities after yesterday's clashes.

The situation in Groznyy and its environs today remains calm. The government troops subunits and people's militia stay in their barracks. Free movement of traffic is resumed along the roads blocked during the military actions.

Over 160 Opposition Troops Reportedly Killed

LD2010141894 Moscow INTERFAX in English 1124 GMT 20 Oct 94

[FBIS Transcribed Text] Over 160 opposition troops were killed in Wednesday's [19 October] fighting in the Urus-Martan District, according to official Groznyy. Chechen Security Department officers emphasized that this figure was not final.

The same sources said that 30 to 40 government soldiers had been killed and many were injured.

Bislan Gantemirov, leader of an opposition unit, is, by some reports, gravely wounded and stays in the village of Znamenskoye, Nadterechnyy District. By other reports he was seen in Urus-Martan Thursday morning.

According to Chechen Interior Minister Ayub Satuyev, when asked why he did not fight, Gantemirov said that he had gone elsewhere for reinforcements.

Chechen Opposition Leader Denounces Dudayev Regime

LD2010114694 Moscow ITAR-TASS in English 1131 GMT 20 Oct 94

[By ITAR-TASS correspondent Sharip Asuev]

[FBIS Transcribed Text] Groznyy October 20 TASS—Yaragi Mamodayev, head of the government of popular confidence of Chechnya (which is not recognised by the Groznyy officials), has described an attack of government forces on the opposition last Wednesday as "the betrayal not only of the interests of the young Chechen state, but also of the Chechen nation itself." This is said in his statement, received today by the ITAR-TASS office in Groznyy. Yaragi Mamodayev accused both conflicting parties of what took place, but, in his opinion, the ruling regime is more guilty than the opposition.

Mamodayev is sure that the recent development "dealt a crushing blow at the very idea of the sovereignty and independence of the Chechen state, because it practically ruled out a possibility of reconciliation in Chechen society." He expressed heartfelt condolences to the wounded and to the families of those who were killed during the conflict, and regret that the government headed by him could not prevent the tragedy despite all its efforts.

In this situation "the popular confidence government should look for other ways to stop the already started process of the self-destruction of the Chechen nation and to restore a constitutional system in Chechnya."

Mamodayev urged his compatriots to display once again common sense and patience, typical of the Chechen nation, and not to allow themselves to be drawn into fratricidal clashes.

Dudayev Accused of Using Afghan Mojahedin

LD2010172194 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] The opposition Provisional Council accused President Dudayev of resorting to the services of Afghan Mojahedin, (fighters) in a bid to wipe out the opposition forces. The Council's general staff cited recordings of radio conversations between government tank crews attacking Beslan Gantemirov's forces in the Urus-Martanovskiy District.

Groznyy repeatedly declared its intention to use volunteers from other Islamic countries, Council spokesmen told Interfax in the Znamenskoye Village of Chechnya's Nadterehnyy District.

In addition, the government offensive on Urus-Martan, Gekhi, and Goity showed that the Dudayev forces have new types of military hardware. The Provisional Council believes Groznyy gets arms from Russia.

Foreign Minister Rejects Claim

LD2010173194 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Chechnya's Foreign Minister Shamseddin Yusef rejected the opposition's reports on that Mojahedin are fighting on the side of official Groznyy.

On Thursday [20 October] Yusef told Interfax that there was no need for Groznyy to hire mercenaries. Groznyy

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was capable of resolving differences with the armed opposition on its own, he said.

According to Yusef, Groznyy may yet resort to the services of Afghan Mojahedin if Russian troops entered Chechnya. This is what Chechen and Islamic leaders had in mind when they discuss Islamic aid, Yusef said.

Barring Russian interference, Groznyy will do its utmost to refrain from using Mojahedin. It realizes, Yusef said, that in the future Mojahedin involvement could present a serious problem to Chechnya and Russia as a whole.

Asked about Groznyy's moves against the opposition Provisional Council, Yusef said the Council was fated to suffer the lot of those who were destroyed in a matter of ten hours in the Urus-Martanovskiy District, Wednesday.

Groznyy is still willing to discuss bilateral relations with Moscow, Yusef said.

Groznyy repeatedly declared it would be willing to enter a confederation with Russia, and, according to Yusef, never went back on what it said or intended to do. It is waiting for a reaction from Moscow, Yusef said.

Fighting Continues in Chechnya

LD2010115394 Moscow ITAR-TASS World Service in Russian 1105 GMT 20 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 20 Oct (ITAR-TASS)—This morning the united forces of the Chechen Provisional Council, which is in opposition to Dzhokhar Dudayev, have been engaged in defensive battles in the area of Terskiy ridge and in Nadterechnyy rayon. The most vigorous confrontation, ITAR-TASS was told at the Provisional Council's information committee, was noted at the village of Ken-Yurt which is being shelled by Dudayev's troops from artillery guns and armored hardware.

According to the opposition, after the bloody battles on Wednesday [19 October] near the settlement of Urus-Martan, the forces loyal to the Chechen president retreated having suffered considerable losses in people and hardware. ITAR-TASS was told at the opposition headquarters in Znamenskoye that during the clash in the Urus-Martan sector the government troops lost about 100 people killed, and five units of hardware.

The opposition sustained losses, too. According to preliminary information, among the defenders of Urus-Martan under Beslan Gantamirov, 30 members of the civil defense guard and five Provisional Council fighters have died. Beslan Gantamirov himself is reported to have received a light wound. According to the opposition, 35 peaceful civilians died in the battles near Urus-Martan.

Latest reports from Znamenskoye say that the Provisional Council's armed subunits are carrying out a maneuver and are regrouping forces. According to data available to ITAR-TASS, subunits of Ruslan Labazanov are in Groznyy. However, they are not engaged in active operations.

The situation in the area of Tolstoy-Yurt where the headquarters of Ruslan Khasbulatov's peace-making group is situated did not worsen today, according to his press service. Earlier, armored hardware and artillery of the government forces was noticed concentrating near the village but no hostilities took place. In Tolstoy-Yurt people are continuing to join the civil defense guard on the side of the opposition.

Chechnya Opposition Launches Attack

LD2110100994 Moscow ITAR-TASS World Service in Russian 0930 GMT 21 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 21 Oct—Opposition forces in the area of the large Cossack village of Pervomayskaya near Groznyy launched an attack today on the positions of government forces. The ITAR-TASS correspondent was told at the main headquarters of Chechnya's Armed Forces that last night, government troops shelled posts of the opposition from field pieces. As a result of today's retaliatory attack, one person was killed and two injured among official Groznyy's supporters.

Exchanges of fire in this area are continuing. Reinforcements from the so-called Galanchozhskiy regiment have been sent to help the government troops.

Khasbulatov Cited on Moscow Support

MM2010132194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Oct 94 pp 1-2

[Report by correspondent Aleksandr Yevtushenko: "Opposition Relies on Helicopters, Dudayev on 'Secret Weapon'"]

[FBIS Translated Text] Chechen Republic—The tanks entered Groznyy's central square. They lined up in combat ranks and, to the thunder of caterpillar tracks and fire from the rifles of the gunmen sitting on the armored vehicles, they drove from the presidential palace to the outskirts of Groznyy. One crew, forgeting to turn the gun away as they moved, hit a couple of buses at the roadside, causing them to crumple. The war writes everything off.

Only half an hour before I was driving hard in the direction of the sound of artillery fire—toward the Terskiy range. There, at the foot of the range, I was told that the fire was from government troops' antiaircraft guns. And it was aimed at combat helicopters which had flown from Tolstoy-Yurt toward Groznyy.

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Immediately there were several loud bangs from the city. It emerged that this was opposition helicopters attacking a 16-floor apartment block. Why, what for? At that time no one could understand, nor felt like understanding. At that moment the Chechen Republic Security Council session was interupted by a report that Groznyy was being stormed on two sides—from Tolstoy-Yurt, where Khasbulatov's peacekeeping forces are based, and from Urus-Martan—the "seat" of Interim Council Troops Commander Bislan Gantamirov. Opposition detachments under cover of dark had come right up to the Chechen capital. Meeting virtually no opposition, they entered the city outskirts. And they were about to advance on the center when Shamil Basayev's "Abkhazians" destroyed an "opposition tank with a grenade thrower and set fire to an armored personnel carrier. The hotheaded volunteer militia members, as yet unscathed, surged forward, overtaking the more experienced and cautious." Horses and people were piled up together—you could not make out who were your own men and who was the enemy.

While the opposition commanders were putting order in their ranks, using abuse or rifle-butts, T-76 tanks rolled in from Freedom Square, and you cannot fight those vehicles with machine-guns. The opposition rapidly retreated.

When "Ostankino" reported on the evening news that the city was under control of the Interim Council forces and all that was left was to take the presidential palace by storm, the volunteer militia, having lost armored vehicles and had sevral men killed, was already far from Groznyy.

The next day Interim Council Chairman Umar Avturkhanov and opposition armed forces commander Bislan Gantamirov were to tell me that this obviously unsuccessful operation was just "a dress rehearsal before the decisive attack on the regime."

Dudayev can be grateful that the helicopter pilots got the wrong building, and used rockets to attack not the presidential palace but the apartment block nearby, Avturkhanov noted. It turned out the crews of the two combat helicopters were ordered to fire on the upper floors of the government residence, where the republic's security council headed by Dzhokar Dudayev was in session at the time. To their question, how was the presidential palace to be recognized, they were told: "It is the highest building in the city center." But the pilots were a little confused. Not surprisingly. It is entirely likely that neither of them had ever visited Groznyy. As Federal Counterintelligence Service Major Sergey Kulikov, who is at the military base in Mozdok, explained, the helicopter crews are serving the Interim Council under contract. To put it simply, they are mercenaries. According to some reports they were promisd 20 million rubles [R] each to serve. They would get R200,000 for each combat flight and R500,000 for each government troops armored vehicle destroyed from the air. So that it obviously made no particular difference to them whether they took out the president or Groznyy's civilian inhabitants.

"You can write in your newspaper: Why the hell are we going into Chechnya? Our boys are dying, we are spending many billions of rubles. And for three months now they have paid us no wages," I was told in heartful tones by an ensign at the Mozdok military airfield. "Close all the borders with three rows of barbed wire and let them sort it out for themselves."

Dzhokhar Dudayev said more or less the same, but in different terms, in an interview: "We shall deal with the bandit formations (the opposition—KOMSOMOLSKAYA PRAVDA editor)—we have sufficient forces. But I cannot fight all Russia. In another country all these bandits would have been hanged long ago. But here they have a mighty power behind them. But never mind, I have prepared such a surprise for Russia, such a dirty trick, that it will take a long time to recover. This ideological bomb will be more terrible than the atom bomb."

What the Chechen president had in mind specifically he did not explain. It is believed in the opposition camp that through his people in Moscow Dudayev has brought together and bought for a large sum powerfully compromising documents against the country's top leadership. And if he is defeated he intends to produce these documents. But that is only speculation. While according to information from Znamenskoye confirmed by Federal Counterintelligence Service employees in Mozdok, the republic's general prosecutor, Usman Imayev, very well informed about all the Chechen leadership's affairs, is in the meantime "giving away" his boss. During recent fighting he was taken prisoner. And now, according to reports from the same sources, he is being studied by the military prosecutor's office at the Pyatigorsk solitary confinement block.

Meanwhile in Moscow a delegation from official Groznyy is having talks with State Duma speaker Rybkin. To judge by the assessments made of this event by Dzhokhar Dudayev the idea of talks is certainly not from him. And in general an obvious split has begun in the president's camp. Some ministers who went cap in hand to Khasbulatov have been anathematized. The parliament chairman has resigned. Substantial reshuffles are imminent in the cabinet. The resignation of the entire government is also possible. So Umar Avturkhanov is probably right when he says that in just a little while the opposition forces will have no need to take Groznyy. They will simply enter the city without a fight and at most take the palace by storm.

Here Mozdok (and consequently Moscow too) is more concerned with what will happen afterward. Even now, in the opinion of Russian specialists, there is mental ferment in the opposition. The field commanders are dissatisfied with the Interim Council's lack of resolve. After all, in just a little while the cold and the lack of

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warm uniforms and dry barracks will send the volunteer militia home. The opposition leaders are expanding their government's staff under pressure from hangers-on and are "sharing the skin of a bear that has not yet been killed." And after the fall of the regime their so far gentle rivalry could develoop into a struggle for real power.

So far the replies to all my questions to Khasbulatov, Avturkhanov, and Gantamirov about the republic's future began with the same phrase: "Let us overthrow the regime...." It looks as though the Russian leadership is also confident of its speedy fall. And it is doing quite a lot for it. It has even reached a compromise with itself and recognized Khasbulatov as the leader of the opposition.

"I received a call from Mozdok. I was asked if I was ready to forget my former grievances and enlist Moscow's support for our movement," says Ruslan Imranovich. "I replied I was ready. I was received in the capital by high-ranking leaders and we found a common language."

Khasbulatov preferred to avoid the question of exactly who he had talks with. On the other hand Russian aid to the opposition obviously increased after this. And the former speaker now simply flies to Mozdok by helicopter. Obviously the country's leaders did not reach a deal with the recent "Lefortovo" inmate with the attitude that "he who mentions the past should get out." But with a sober understanding of whom they should count on in resolving the Chechen problem.

After all, Russia needs Chechnya now more than ever. Its geopolitical situation, concern for the integrity of the state, anxiety for the Russian-speaking population—all this remains. In general terms. But today, when oil from the Caspian shelf has gotten away "without passing the till," the Chechen fuel stock seems by no means redundant. So during their next attack on the presidential palace the Russian helicopter pilots will probably be guided more accurately. And if the "dress rehearsal" failed then the premiere of the taking of Groznyy could be very successful. It is planned for no later than the start of winter.

Yeltsin Men Defuse Kemerovo Oblast Political Clash

MK2110094094 Moscow KURANTY in Russian 21 Oct 94 p 2

[M. Shch. report: "A Commission To Get Kislyuk To Make Up With Tuleyev"]

[FBIS Translated Text] What sort of a commission? A special one, formed on instructions of the president's staff. The issue is that the "warm relations" between Kemerovo Oblast administration head Kislyuk and local soviet head A. Tuleyev have reached such a dangerous boiling point as to warrant interference from the center. Under the aegis of the Treaty on Public Accord at that. The problems of feuds on the national scale have somehow become concentrated in one single oblast, reaching the point of absurdity. Sergey Kalashnikov, Duma Social Problems Committee chairman, has been put at the head of the "fire brigade." Incidentally, we have been told in his secretariat that the plans first called for appointing to the unenviable position of chief "reconciler" a very prominent senator, but at the last moment he showed signs of an acute health problem, and the Duma man had to lead the somewhat odd delegation.

It is not uninteresting that two members of the president's special service have been included in the delegation. Chances are the hassle in Kemerovo is going to be serious.

Regional Constitutions Compared, Contrasted

MK2110101094 Moscow SEGODNYA in Russian 21 Oct 94 p 2

[Report by Yelena Tregubova under the "Fundamental Law" rubric: "Ministry for Nationalities Affairs and Regional Policy Carries Out Check-Up on Regional Constitutions. Most of Them Out of Tune With Federal Constitution"]

[FBIS Translated Text] The Ministry for Nationalities Affairs and Regional Policy has circulated an analytical document entitled "On Correspondence to the Russian Federation Constitution of the Texts of the Constitutions and Charters of Russian Federation Components." To date, constitutions have been adopted in 16 out of the 20 republics (not counting Chechnya). The republics of Adygeya, Altay, Khakasia, and Karachayevo-Cherkessia do not have their own constitutions. The authors of the analytical survey note that "fundamental laws" were adopted in Mordovia, Udmurtia, Mariy El, and North Ossetia as "constitutions of Soviet Socialist Republics" back in the late seventies.

In Tataria [Tatarstan], Yakutia, and Tuva, constitutions were adopted in the early nineties before the passing of the new Russian Constitution. Bashkiria [Bashkortostan], Buryatia, Komi, Dagestan, Ingushetia, Karelia, Kalmykia, Kabardino-Balkaria, and Chuvashia had their constitutions on 19 December 1993.

The document points out that nearly all constitutions of the republic components of Russia contain declarations of sovereignty variously formulated. For example, in Article 61 of its Constitution, Tataria proclaims itself "a sovereign state under international law." The Republic of Komi codifies in Article 5 of the Constitution that "the state sovereignty of Komi affects its entire territory." Article 1 in the Constitution of Tuva says that this republic is a sovereign state which is part of the Russian Federation on the basis of the Federation Treaty, but it has the right to self-determination and of secession from the Russian Federation. Remarkably, under the Tuva Constitution, secession from Russia results, in particular, "in the period of a state of emergency, a political and state crisis of the Russian Federation." All similar

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legislative acts, in the phrase of Nationalities Ministry experts, "contravene the Russian Federation Constitution or, at least, differ from the norms enshrined in it."

Some snags develop in assessing those provisions of the republics' constitutions which, although they contravene the new all-Russia Fundamental Law, correspond to the text of the Federal Treaty. Lawyers are convinced, however, that "although the Treaty was not scrapped after the passing of the new Russian Federation Constitution, the Constitution now wields the supreme legal force, and the republics are supposed to bring their laws into line with it."

The recently concluded treaties "On Delimiting Jurisdictions and Mutual Delegation of Responsibilities," as Nationalities Ministry staffers state, removed many contradictions to the Russian Fundamental Law in the constitutions of Tataria and Bashkiria. In the texts of the treaty, these republics have recognized the precedence of the Russian Constitution. The authors of the analysis are nevertheless convinced that very many norms of the republics' constitutions still have to be altered soon—in their view, this primarily applies to the "provisions on a special role of the indigenous title [peoples from which the republic derives its name] nations."

This "clear" infringement [of the rights] "of the non-title nations and peoples," the experts believe, is enshrined in the constitutions of Bashkiria, Komi, and Udmurtia.

The constitutions of Tuva and Yakutia, the document compilers feel, contain serious departures from the Russian Constitution in the military field—"certain provisions violate the federal authorities' exclusive right in matters of war and peace."

There are also discrepancies in "economic" articles—for example, the authors say, only the constitutions of two republics—Komi and Karelia—do not contradict the Russian Constitution. All the rest "have proclaimed land, mineral resources, water, flora and fauna the property of the peoples living on the territories of these republics." The majority of the republics' constitutions consider legal proceedings as the jurisdiction of the regional authorities. Besides, the Constitution of North Ossetia, for example, says that only citizens of this republic can be local judges. The constitutions of Yakutia, Tataria, Bashkiria, Dagestan, Udmurtia, and of some others, the Nationalities Ministry experts state, grant the right to vote only to citizens of these republics.

Some Nationalities Ministry specialists are confident that the differences of regional constitutions from the shared, federal, constitution should be "removed" through the signing of bilateral treaties. Today, the ministry is preparing such treaties with North Ossetia and Yakutia. Other specialists, such as, for example, Viktor Yemelyanenko, head of the legislative acts drafting department, maintain that bilateral treaties eliminate constitutional differences only in form, and insist that the republics' constitutions themselves should be altered.

Both sets of experts, however, agree that "today the most meticulous analysis of the Russian Federation components' constitutions is necessary because if no chance is given to implement the new Russian Constitution, there is a possibility of either sliding into a rigid centralism, or of undermining the country's state integrity."

Northern Regions Face Fuel Shortages

LD2010205394 Moscow INTERFAX in English 1655 GMT 20 Oct 94

[FBIS Transcribed Text] Russia's northernmost regions have received only half of the supplies of oil they need due to a cash shortage, a government source told Interfax.

He said suppliers are more than 675 billion rubles short of cash.

This year's government allocation of 3.5 trillion rubles for oil supplies to the north is not enough to implement the program given that transport costs more than tripled since January, the source said.

Regional consumers received some 3.7 million tonnes of oil and oil products by October 1 compared with the 6.6 million tonnes planned.

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International Affairs

Moroz Links Joining NPT With U.S. Aid

LD2010172594 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Ukrainian Parliament Chairman Oleksandr Moroz told a US delegation in Kiev Wednesday that Ukraine can be expected to join the Nuclear Non-Proliferation Pact [NPT] in May, 1995, or, with security guarantees and with financial aid from the United States, right now.

The head of the US delegation, Deputy Assistant Secretary of State Gloria Duffy [title as received] said Moroz' recent visit to the United States "had a positive influence on US Congressmen" who "will be ready to work for an earlier extension of guarantees and financial aid."

Proposes Nuclear Venture

LD2010125094 Moscow ITAR-TASS in English 1216 GMT 20 Oct 94

[By UKRINFORM correspondents Valdinir Medyany and Alexey Petrunya for TASS]

[FBIS Transcribed Text] Kiev October 20 TASS—Ukraine set itself an aim to create its own complete nuclear circle, from uranium mining to loading fuel elements for Ukrainian nuclear power plants. Ukraine could cope with this task on its own, but it will take much time and large funds. Western aid is needed to speed up the process. Speaker of the Ukrainian parliament Oleksandr Moroz said this during a meeting with U.S. Deputy Assistant Secretary of Defence Gloria Duffy [title as received].

Ukraine needs 120-150 million dollars to implement this project, the parliamentary speaker said. U.S. firms have these funds and also technologies for creating such a circle. Moroz said that Ukraine now receives fuel elements for nuclear power plants from Russia in return for nuclear charges being withdrawn. He proposed to set up a Ukrainian-U.S. joint venture which will produce fuel elements out of Ukrainian raw material on American technologies. This will make it possible not only to supply Ukrainian nuclear power plants with fuel, but also to offer fuel elements to other countries. The training of personnel of nuclear power stations could be conducted jointly.

Gloria Duffy assured the Ukrainian parliamentary speaker that the U.S. side will discuss the project within four weeks and will refer its proposals to the Ukrainian leadership.

A project of a complete nuclear circle is part of U.S. aid under the plan of the Nunn-Lugar Foundation, the parliamentary speaker said. "It is essential that the foundation begins to operate so that arrangements be implemented in real deeds", he said. "This will make it possible quickly to proceed with adjusting war-industry facilities to civilian uses and modernising the economy. The Ukrainian president and parliament have no contradictions in approaches to radical social and economic reforms. Ukraine counts in reforms on its own resources, but it needs to be sure that Western countries, above all the United States, will help Ukraine in their implementation. Ukraine is not against signing the Nuclear Non-Proliferation Treaty but it needs real guarantees of security from nulcear powers", the speaker said.

New Crimean Deputies Group Calls For Reform

LD2010095094 Kiev UNIAN in Ukrainian 2045 GMT 19 Oct 94

[FBIS Translated Text] [no dateline as received]—A seventh group has registered in the Crimean parliament at Simferopol. On 19 October the secretariat of Crimea's Supreme Council registered a seventh deputies group—the "Crimea" group. Ten people have joined the group. Businessman and People's Deputy Oleksandr Korotko has become its leader. In his view, neither the former Supreme Council of the Republic of Crimea, nor the present one, have done anything to promote stability on the peninsula. Oleksandr Korotko believes that political tension on the peninsula has increased during the time of the new parliament. This is addressed in the group's first statement, which calls to develop and pass a law "on the concept of economic development in Crimea."

The statement also mentions the need to make maximum use of present intellectual potential and to play an active part in developing tax, financial, and budget policies. In the view of the group's members, it is necessary to reform power in Crimea and to elect chairmen of the executive power by direct and secret ballot.

There are now seven deputies groups in the Crimean parliament, uniting 90 people.

National Affairs

Kuchma Holds Conference on Chernobyl Plant

AU2110143894 Kiev URYADOVYY KURYER in Ukrainian 20 Oct 94 p 1

[Report by the Ukrainian Presidential Press Service: "The Future of Atomic Power Engineering"]

[FBIS Translated Text] On 19 October, Ukrainian President Leonid Kuchma held a conference on issues of atomic power engineering. It was attended by Prime Minister Vitaliy Masol, Deputy Prime Minister Yevheniy Marchuk, and leaders of a number of ministries and departments and of the Presidential administration. Questions associated with the development of nuclear power engineering in Ukraine and with the work of the Chernobyl Atomic Electric Power Plant [AES] were discussed. As pointed out by participants in the conference, our state supports the position of the international community on closing down the Chernobyl

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AES, but it must be accomplished taking into account the specific technological features of disabling the reactors and Ukraine's financial possibilities.

Supreme Council Amends Defense Edict

LD2010222394 Moscow INTERFAX in English 1955 GMT 20 Oct 94

[FBIS Transcribed Text] At its morning sitting on October 20 Ukraine's parliament adopted a decree amending the decree "On Ukraine's Defense."

In accordance with the amendments Ukraine's territorial defense is understood as "a complex of state, military, and special measures which are used during the threat of aggression or during repulsion of aggression in order to protect and to defend the state border from outer aggression and which are to ensure conditions for a reliable functioning of state bodies for mobilization and operative deployment of forces."

The old edition of the decree said that the aim of the territorial defense is "to cover, to defend, and to protect the state border, the sea coast, islands, and important sites and communications."

According to the chief of the General Staff of Ukraine's Armed Forces Anatoliy Lopata, the previous decree "did not entirely correspond to the current situation."

Kuchma Commends Parliamentary Support of Reform

LD2010134894 Kiev UNIAN in Ukrainian 1200 GMT 20 Oct 94

[FBIS Translated Text] Kiev [no date as received]—In a speech to the second congress of Ukraine's judges today, Ukrainian President Leonid Kuchma described as "constructive and balanced" yesterday's parliamentary debate on the fundamentals of economic and social policies, set out [in his address last week]. He added that he does not expect the course set out to be unanimously supported. The decision by parliament, however, "demonstrates the deputies' maturity and ability to make responsible decisions."

On the subject of land reform, Leonid Kuchma said he is satisfied with Supreme Council of Ukraine Chairman Oleksandr Moroz's statement that the issue of the president's main positions on the implementation of agrarian reform was already settled by the legislation in force and, in particular, by the land code. "Which means that the president is not outside the law on this key point," Leonid Kuchma said.

Leonid Kuchma further stressed the importance of a firm vertical structure of executive power to be erected in Ukraine. "The importance of the parliamentary debate on the presidential speech [setting out his economic reform program] is also that it has become clearer what forces I can rely on," Leonid Kuchma said, adding that their support is quite significant.

He gave assurances that he will do everything for the legislative and executive branches of power in Ukraine to consolidate and that he is also relying on the support of the judiciary as the third branch of power.

"The president realizes that the establishment of judiciary authorities cannot be regarded as complete without the formation of a constitutional court," said Leonid Kuchma. In his view, such a court should only be organized once Ukraine's new constitution is passed.

Leonid Kuchma then assured the meeting that he will promote the judiciary authorities's wider-ranging participation in settling issues of relations in society. He added that if the question of a ban on Ukraine's Communist Party in 1991 had been decided by a court of law rather than by parliament, the social and political tension surrounding it today would have been greatly reduced.

Voting Results on Kuchma's Parliament Report

LD2010203094 Kiev UNIAR in Ukrainian 1520 GMT 20 Oct 94

[FBIS Translated Text] Kiev, 20 Oct—Yevhen Heorhiyovych Kostenko, deputy leader of the secretariat, head of the Information and Analysis Service of the parliamentary group "Reforms" has analyzed the results of the individual voting by the Supreme Council of Ukraine on issue No.15 "On the report by the president of Ukraine 'On the main undertakings of the economic and social policy' as a whole." The voting took place on 19 October 1994. 231 deputies voted in favor of the above issue, 145 voted it down, and 17 deputies abstained from voting.

Voting results break-up according to groups and groupings.

GROUP	DEPUTIES			VOTED			
or grouping	Overall number	Present	Absent	"Yes"	"No"	Abst.	Never voted
Communists	90	80	2	29	46	8	5
Socialists	30	27	3	18	4	3	2
Agrarians	52	42	10	36	—	—	1
Inter-regional							
deputy group	33	27	6	27	—	—	—
Unity	34	26	8	24	1	—	—

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GROUP	DEPUTIES			VOTED			
or grouping	Overall number	Present	Absent	"Yes"	"No"	Abst.	Never voted
Center	37	25	12	24	—	—	1
Rukh	27	22	5	19	—	1	2
Statehood	28	19	9	18	—	—	1
Reforms	35	20	15	18	1	—	1

Parliament Forms Commission on Currency Plunge

LD2010150794 Kiev UNIAN in Ukrainian 1220 GMT 20 Oct 94

[FBIS Translated Text] Kiev [no date as received]—The Supreme Council of Ukraine today passed the resolution: "On an Interim Commission To Check Facts of the Activity of Individuals and People's Deputies in Relation to the Printing of Ukrainian Currency," in agreement with leaders of the groups and groupings bringing together 15 members of parliament.

Parliamentarians today also formed an interim commission of deputies who are to analyze the situation with the sharp change in the Ukrainian karbovanets' exchange rate. Voted onto the commission were: Valentyn Landyk, Anton Buteyko, Oleksandra Kuzhel, and Viktor Suslov. Deputies rejected a proposal to include on the commission People's Deputy Vadym Hetman, former chairman of the board of Ukraine's National Bank.

Viktor Suslov's membership on the commission, in [Deputy] Volodymyr Pylypchuk's words, is a mistake, as he, being chairman of the Supreme Council finances and the Banking Activity Committee as well as adviser to the prime minister, "was probably involved in the change in the karbovanets's exchange rate."

Parliament Resolution Raises Minimum Wage

WS2110143794 Kiev INTELNEWS in English 0513 GMT 21 Oct 94

[Report by Serhiy Dmytrychenko]

[FBIS Transcribed Text] Kyiv [Kiev] Oct. 20. Parliament passed a resolution Thursday raising the minimum wage, pensions, and welfare payments for the next two months. The decision comes as a relief to citizens fearing President Leonid Kuchma's major economic reform plan will cause massive unemployment and increase prices.

Kuchma's plan "guarantees unemployment and a decrease in social programs," Communist Party leader Petro Symonenko said during parliamentary debate of the plan Wednesday.

The resolution raises the minimum wage from 60,000 karbovantsi [K] (less than US$1) per month to K240,000-720,000, depending on the industry. The ceiling for state enterprise salary/benefit funds will be raised by 60 percent.

Minimum pensions on average will rise from K120,000 to K360,000. With added benefits, pensions will come to between K700,000-1.13 million. Benefits for the poor are doubled, if no family member receives more than K780,000 in income. Chornobyl [Chernobyl] victim benefits were raised threefold on average but will not exceed K3 million per person monthly. Apartment subsidies will be increased to 70 percent of the cost paid by the family, not exceeding K750,000 per family.

Because prices are expected to rise, "this is only a temporary increase," said Ivan Chish, Social Policy Committee deputy chief. This year's 40 percent drop in production requires that the subsidies be funded by monetary emissions equaling about K300 trillion, say economists, because about half of the population is made up of pensioners.

"In these two months parliament must revise laws on wages, taxation and social programs to raise social protection next year not through monetary emissions but through a liberal taxation system," said Chish, a socialist. "Our committee is working on a method of regulating prices not through administrative means, but economic methods. Prices will be regulated not by the directives of the government but by taxation policy," he added.

By January 1 parliament plans to pass a major overhaul of economic legislation in response to President Kuchma's economic reform initiative, said Chish.

Crimean Parliament Considers Constitution Change

LD2010215994 Moscow INTERFAX in English 1955 GMT 20 Oct 94

[FBIS Transcribed Text] A closed session of the Crimean parliament Thursday discussed bringing in line the autonomous republic's Constitution with that of Ukraine.

"Deputies exchanged opinions and found they were different," Crimean Deputy Speaker Viktor Mezhak said.

Mezhak himself spoke categorically against bringing in line the Crimean Constitution with that of Ukraine. In his opinion, one of the options to solve the issue could be to suspend the articles of the Crimean Constitution questioned by Ukraine until a new Ukrainian Constitution is passed.

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The session is expected to resume on November 3, since deputies devote the last week of each month to activities in their constituencies.

However, "the presidium may decide to resume the session early - on October 26 - if an urgent decision is needed."

In late September, the Ukrainian parliament passed the resolution "On the political and legal situation in Crimea" instructing the Crimean parliament to bring in line its legislation with the Ukrainian Constitution.

Kuchma, Crimeans View Worsening Economy

LD2010222594 Moscow INTERFAX in English 2020 GMT 20 Oct 94

[FBIS Transcribed Text] On October 20 Ukrainian President Leonid Kuchma met with chairman of Crimea's parliament Sergey Tsekov and Crimea's Prime Minister Anatoliyy Franchuk. The presidential press service told Interfax-Ukraine that the parties discussed social-economic situation in Crimea which has worsened due to drought, absence of water, and epidemic of cholera.

It was decided that in the near term a governmental commission headed by Vice Premier Yevheniy Marchuk would come to Crimea to examine what scale of assistance Ukraine would grant to the Crimean population.

They exchanged their opinions on the fulfillment of the resolution of Ukraine's parliament on bringing the Crimean legislature in line with Ukraine's Constitution by November 1, 1994.

Kuchma once again attracted attention on the need to fulfil this resolution.

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Belarus

Russian Friendship Agreement Ensures Close Relations

WS2110094194 Minsk Radio Minsk Network in Belarusian 0800 GMT 21 Oct 94

[FBIS Translated Text] Russia and Belarus have practically agreed on the friendship and cooperation agreement text to be signed by the two countries. This has become known following the third round of negotiations held in Moscow by Russian and Belarusian delegations headed by Veniamin Popov, Russian Foreign Ministry ambassador at large for CIS matters, and Petr Belyayev, Belarusian deputy foreign minister. The agreement, Veniamin Popov noted during a conversation with journalists, laid a legal groundwork for new and closer relations between the two states, now independent but still close to one another. The Russian official said the agreement's chief distinction is the emphasis it put on developing economic relations and ensuring human rights and freedoms.

CIS Economic Integration Plan 'Treated Cautiously'

MK2010135094 Moscow SEGODNYA in Russian 20 Oct 94 p 4

[Report by Valentin Zhdanko from Minsk: "The New Plan for Economic Integration Within the CIS Framework Could Lead to Russian Entrepreneurs' 'Buying Up Belarussia's (Belarus) Entire Property'"]

[FBIS Translated Text] Nikolay Gonchar, chairman of the Russian Federal Assembly's Federation Council's Budget and Finances Committee, who is in Minsk on a business visit, on 18 October addressed deputies of the Belorussian [Belarusian] Supreme Soviet. He presented his point of view on prospects of economic integration within the CIS framework. According to the Russian guest, it would be unrealistic and futile today to try to create supranational administrative bodies. Gonchar proposed to the Belorussia parliament the idea of adopting not common, but corresponding, laws, i.e., laws that envision the creation in each CIS state of an adequate legal field.

The Moscow guest cited a bill on financial-industrial groups, which has been submitted to the Russian parliament, as the first step in this direction. According to the architects of the law, parties to financial-industrial groups may be economic entities of all CIS states that have supported the idea. Participants in financial-industrial groups should enjoy equal rights and benefits not only in their own country but also on the territory of other CIS states that adopt analogous laws.

Gonchar's speech produced a restrained reaction from the Belorussia parliament. Asked by SEGODNYA's correspondent to state his attitude to Russian parliamentarians' idea, Leanid Kozik, chairman of the economic reform commission of the Belorussian Supreme Soviet, said, "This proposal has raised not a few questions. In Russia, state property has already been divided; powerful financial-industrial groups have been created there, with substantial capital. Now they are consolidating their positions: This is why they need this law. Here, though, privatization has just begun. With their Russian ruble, which is much more stable than our currency, and with huge capital, will they not buy up all Belorussia's property?"

Kozik believes that such Russian proposals should be treated with great caution. The Belorussian parliament will soon hold a detailed discussion of Gonchar's plan.

Premier on U.S. Visit; Lukashenka To Visit Next Year

LD2010195094 Moscow INTERFAX in English 1634 GMT 20 Oct 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Purshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] The U.N. will see Belarus as a state whose economy is going through a transition period and one of the founders of this organization. Belarusian Prime Minister Mikhail Chyhir told a news conference in Minsk Thursday [20 October] this agreement was reached during his visit to the U.S. and talks with U.N. secretary General Butrus Butrus-Ghali.

Chyhir said he had passed a Belarusian government address to the U.N. secretary general with request to render it financial aid to eliminate the consequences of the Chernobyl disaster and this summer's heavy drought.

During his visit, Chyhir held talks with U.S. Vice President Albert Gore to inform him of the political situation in Belarus, government program for market reforms and preparations for the next parliamentary elections.

Chyhir said he had reached an agreement on an official visit by the first Belarusian president, Alyakandr Lukashenka, to the U.S. next year.

Belarusian Foreign Minister Uladzimir Syanko told the news conference he assigned "great political importance" to the visit. "A direct contact with the U.S. leadership was established. The U.S. administration expressed its support of reforms carried out by the new Belarusian government," he added.

"During the talks, the U.S. vice president did not hide that the U.S. side had a wrong understanding of the situation in Belarus before Chyhir's arrival, and the direct contact with the head of cabinet clarified many things," Syanko said.

According to the Belarusian foreign minister, "the visit created weighty, even vital pre-conditions for a more efficient cooperation with America."

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Lukashenka on Monetary Union With Russia

LD2010224294 Moscow Russian Television Network in Russian 2000 GMT 20 Oct 94

[Video report by correspondent R. Babayan; from the "Vesti" newscast]

[FBIS Translated Text] Alyaksandr Lukashenka, the president of the Republic of Belarus, held a news conference at the International Press Center in Moscow today. One of the first questions asked by journalists was about the unification of the monetary systems of Russia and Belorussia [Belarus]. In this connection, Alyaksandr Lukashenka said that his country was still willing to continue a dialogue on this issue with the Russian Government. However, in his words, the monetary union is unlikely because Russian Prime Minister Viktor Chernomyrdin recently said that this kind of merger of the two monetary systems was only possible in the middle of last year. He thereby gave to understand that Russia would not benefit from this process at the present stage, the Belorussian [Belarusian] leader pointed out.

In addition to that, Alyaksandr Lukashenka accused the former Belorusian Cabinet of Ministers led by Vladislav Kebich of disrupting the monetary union. From an economic factor of the unification of two fraternal states, the monetary merger was turned into a card in a political game which Vladislav Kebich played during his election campaign, the president of Belorussia said.

Moldova

CSCE Secretary General Pays Official Visit

Encouraged by Dniester Situation

LD2010220194 Moscow ITAR-TASS in English 1953 GMT 20 Oct 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev [Chisinau] October 20 TASS—Wilhelm Honk, secretary-general of the Conference on Security and Cooperation in Europe (CSCE), arrived in Kishinev on a four-day official visit today.

Talking to politicians and newsmen, Wilhelm Honk said that a peaceful settlement of the Dniester region problem is not an easy process. He said that he is inspired to see that all parties involved in the conflict are interested in it, and called on them to show patience. One of the aims of Honk's visit is to appraise himself of work being done by the CSCE mission in Moldavia [Moldova], which together with special Russian presidential envoy Vladen Vasev is acting as a mediator in talks to resolve the Dniester region conflict.

Wilhelm Honk noted that the bloodshed on the Dniester's banks has been stopped and the process of resolving the crisis has begun to a large extent thanks to the mediators. There are and there will be more impediments on this path, he emphasised. According to him, one of them is the conflict over a ban on studying the language using Latin alphabet in Moldavian schools of the region. But these impediments must not undermine the conflict's settlement process. Honk appealed to the parties to broaden cooperation with the CSCE in the talks that have begun.

Wilhelm Honk held meetings with chairman of the Moldavian Parliament Petr Luchinskiy and Prime Minister Andrei Sangheli, who infoirmed him of the development of the social-political and economic situation in Moldavia.

On Friday Honk will visit Bendery and Tiraspol. There he will hold meetings with the Dniester region leadership and commander of the Russian 14th Army Aleksandr Lebed. On Saturday Wilhelm Honk will meet Moldavian President Mircea Snegur.

Meets With Prime Minister

AU2010173894 Bucharest Radio Romania Network in Romanian 1400 GMT 20 Oct 94

[Dispatch by Mircea Motrici from Chisinau]

[FBIS Translated Text] CSCE Secretary General Wilhelm Honk is continuing his visit to Moldova. His first meeting this morning was with Prime Minister Andrei Sangheli. During the talks, the sides exchanged views on the CSCE role in consolidating security and deepening cooperation in the European space.

Reiterating the readiness of the Republic of Moldova to contribute, along with other states, to developing this body—the communique released by the government's press service points out—Mr. Sangheli said that certain progress has been made of late in overcoming the differences with Tiraspol. He added: The acceleration of this process is also influenced by certain external factors, one of which is Romania's position vis-a-vis the Republic of Moldova. Various recent statements made by high-ranking dignitaries from Romania, including the head of state, can only raise bewilderment and concern. These statements actually deny the existence of the Republic of Moldova as a sovereign and independent state and of the Moldovan people as a nation. By insistently ventilating the idea of Moldova's unification with Romania, Bucharest is deliberately or unconsciously encouraging the separatist forces in the republic, thus offering the separatist leaders the necessary pretexts for sticking to their initial positions. Seen in a broader context, such statements cannot possibly contribute to the process of consolidating stability and security in this region.

I would like to add in this dispatch that the CSCE secretary general was also received today by Mr. Petru Lucinschi, speaker of the Parliament of the Republic of Moldova.

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Draft Press Law Considered 'Too Restrictive'

AU2010175894 Chisinau BASAPRESS in English 2000 GMT 18 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 18/10/1994—The draft law on press is too restrictive and violates international norms, including the European Convention, Articles 9, 10 (1990), and the Paris Charter for a New Europe (1990). This is the main conclusion arrived at by CSCE lawyers Andrzej Rzeplinski, Poland, and Michael M. Mihm, American Federal Court judge, after analyzing the draft, states today's TARA. "The sentence (Art.1) 'Selection of information, made by persons who are responsible for its contents, is not called censorship' is not correct," the experts say. "Such a censorship is characteristic to the laws on press in the Fascist or dictatorial states and not in the democratic ones." Referring to Article 4 on publicity interdictions, the CSCE experts point out that "the article confuses political freedom of word with defamation and national betrayal, juridical terms which are totally different." This could be used "to limit any criticism of the internal and external policies." As to Article 25, Paragraph B. ("Libeling of the state ... entails a 1,000 minimum salary fine"), the experts say that "it risks to limit seriously the freedom of press in Moldova. Reporters will be obliged to avoid writing on political and social life" and write on "secure" topics like "sports, music, [word indistinct], archaeology," stated the CSCE experts to TARA.

Snegur Reiterates Independence Option

AU2010205894 Bucharest CURIERUL NATIONAL in Romanian 17 Oct 94 p 5

[Unattributed report: "Mircea Snegur Is Tilting at Windmills"]

[FBIS Translated Text] "The statements of certain leaders from Romania about a future unification with Moldova are devoid of real basis because the political situation in the world has changed," Mircea Snegur, president of the Republic of Moldova, said in a recent interview with the German newspaper FRANKFURTER ALLGEMEINE ZEITUNG. Snegur said that he has always spoken out firmly in favor of a real independence for Moldova: "I have firmly stuck to this position, even when the former Soviet leaders threatened me with the creation of several states on the territory of Moldova, in case I do not renounce this idea, at the time when certain leaders of the national liberation movement in Moldova suggested unification with Romania."

According to ITAR-TASS, the Moldovan leadership expressed its bewilderment at the publication, in the Italian daily CORRIERE DELLA SERA, of President Ion Iliescu's statements about a "possible unification of the two countries." According to the Italian newspaper, ITAR-TASS writes, Romania's president believes that unification is being prevented by Russia, which is maintaining a military presence in Moldova." Therefore, the Romanian president "asked Boris Yeltsin to withdraw the Red Army from Moldova as urgently as possible."

Snegur-Led Delegation Leaves for CIS Summit

AU2010130794 Bucharest Radio Romania Network in Romanian 1100 GMT 20 Oct 94

[Report by Chisinau correspondent Mircea Motrici]

[FBIS Translated Text] An official delegation of the Republic of Moldova led by President Mircea Snegur left this morning for Moscow where it will participate in the CIS summit. The agenda of the meeting, scheduled for tomorrow, includes several topics, among them the establishment of the Economic Union's interstate economic committee and the establishment of an integrated payments system. These are issues whose solution, according to Mircea Snegur, would eliminate the existing trade barriers and implicitly lead to the halt in economic decline and the promotion of reforms.

The delegation includes Prime Minister Andrei Sangheli and other officials, the communique of the Press Service of the republic's president says.

In the same context, I would like to add a statment made by Mr. Valerian Berciuc, first deputy state minister and member of the Republic of Moldova's delegation to the Moscow meeting, made to the ITAR-TASS correspondent and quoted by MOLDPRESS. Quote, the Republic of Moldova does not participate in the political-military cooperation programs of the CIS. We will only discuss economic issues, end quote.

Hopes Summit Will Restore Ties

LD2010171394 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Moldovan President Mircea Snegur expects the CIS summit in Moscow Friday [21 October] to adopt decisions, in the framework of the Economic Union, restoring the common economic space and to sign documents on the setting up of an inter-state economic committee.

He told Interfax in Kishinev [Chisinau] airport before he flew to Moscow that the Moldovan and Russian leaders would, hopefully, also sign an agreement on withdrawal of Russian troops from Moldovan soil.

The Moldovan delegation includes Prime Minister Andrey Sangheli and numerous ministers.

Law Adopted on Local Administrative Organization

AU2010180994 Chisinau BASAPRESS in English 2232 GMT 19 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 19/10/1994—Today, the Moldovan Parliament adopted the draft laws on administrative-territorial organization, local public administration, and local elections. The

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report on these laws was presented by Vice Premier Valeriu Bulgari. According to these laws, Moldova's territory will be divided into 40 districts comprising 40 towns, over 900 villages, and the cities of Chisinau, Balti, Orhei, and Tiraspol. The mayors will be nominated by the Moldovan president from the elected local counselors. Pyotr Shornikov, of the Socialist Alliance, said these drafts discriminate the cities as they do not have the right to elect their mayors. According to Bulgari, "the mayors will be nominated by a person elected by all people—the Moldovan president—from the democratically elected local counselors thereby excluding the contradiction with Constitutional Article 109 stipulating that local officials are elected and not nominated." Eugen Rusu, Juridical Commission chairman, pointed out that villages with a population less than 1,000 should be united into village communities called communes. Tomorrow, the parliament will discuss the draft law on the press.

'Truth' Behind Ilascu Trial Disclosed

AU2010180494 Chisinau BASAPRESS in English 2232 GMT 19 Oct 94

[FBIS Transcribed Text] Tiraspol BASAPRESS, 19/10/1994—Today, Vladimir Garbuz, one of the Ilascu group members, held a press conference in Tiraspol. Garbuz said that the investigation and the entire case were invented and that there was not any "terrorist group Bujor." He made his depositions under the tortures of the Dniester secret service. According to the Dniester authorities' scenario he was to stay in the Dniester region after the detention period. He would have been killed if he had revealed the truth. Nevertheless, he decided to hold a press conference to save the other prisoners, including Ilie Ilascu, who was convicted to death. Apparently, Garbuz betrayed his fellow-mates not only because he was mistreated. According to him, if he had not signed his statement, the Ilascu group would have been exterminated before the trial. Garbuz said that Vadim Shevtsov [Tiraspol minister of security], himself, told him that Garbuz's depositions were necessary to raise the Dniester secret services' prestige diminished by the "Baltic" past of many secret service officers. Garbuz said that he does not hope that the Moldova people will ever forgive him, but he reserves the right to be penitent. Looking for opportunities to make these disclosures, Garbuz appealed for the help of the Russian representatives who are impartial, in his opinion. That is how he explained that he and his wife are safeguarded by the 14th Army command. Garbuz denied that after he was set free he was recruited by the Chisinau secret services. It was made public today that employing his deputy mandate, Vasiliy Yakovlev [leader of the pro-communist Union of Social Organizations in Dniester] asked Dniester Prosecutor Boris Luchik to sue Garbuz for his statements broadcast by the Asket television station [of the 14th Russian Army] and the Teleradio-Moldova state company.

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Kazakhstan

Greater Integration Within CIS Urged

LD2010204294 Moscow INTERFAX in English 1814 GMT 20 Oct 94

[FBIS Transcribed Text] The decision on the formation of an inter-state economic committee must be the main event of the CIS summit scheduled for Friday [21 October], Kazakh President Nazarbayev said in an exclusive interview with INTERFAX.

He expressed hope that the idea on the formation of a Eurasian union will be voiced at the summit.

The proposal on the creation of the union was advanced by Nazarbayev in March last year.

He said that some East European countries, the Baltic republics, China and some other countries show interest in the idea. Nazarbayev believes that the proposal is welcomed positively by most people living on the territory of the former Soviet Union.

"The integration of our economies will be beneficial for enterprises and people who work there. We are losing our domestic market which is very important. Everybody hoped that they will find new markets but they did not. And they will not find them early since competition is very acute in the world," Nazarbayev said.

Asked by INTERFAX about Almaty's plans concerning the construction of an oil pipeline via Russia to Europe, Nazarbayev said there was no alternative. Taking into account the fact that oil and gas deposits are being developed in Western Kazakhstan, Nazarbayev said that the pipeline is not enough for the country to join the world market. Almaty is also considering other options, including the use of oil and gas pipeline via Iran and Turkey in the direction of the Persian Gulf intended by Turkmenistan.

Nazarbayev Supports Project To Export Oil Via Russia

LD2010215494 Moscow INTERFAX in English 2022 GMT 20 Oct 94

[FBIS Transcribed Text] Kazakh President Nursultan Nazarbayev has supported a project to export Kazakh oil via Russia. "There is no alternative for us to an oil pipeline via the territory of Russia. In any case, this is the number one issue for us," he told Interfax.

Nazarbayev said out that the pipeline to be laid by the Caspian Pipeline Consortium from the Kazakh oil site Tengiz to the Russian seaport Novorossiysk will have a capacity of 60 million tonnes of crude oil a year.

At the same time, Nazarbayev made clear that the consortium comprising Kazakhstan, Oman, Russia and the U.S. company Chevron must exploit the Tengiz sites as their own property. Prior to this, Chevron had differences with the other members of the consortium over the conditions of its participation put forward by Oman and Russia.

At the moment, Kazakhstan exports three million tonnes of oil a year. With the introduction of the Tengiz sites and the Caspian pipeline, Almaty plans to increase oil exports to 12 million tonnes a year by 1996.

Agreement With U.S. on Extracting Precious Metals

LD2010143594 Almaty Kazakh Radio Network in Russian 1500 GMT 19 Oct 94

[FBIS Translated Text] Today, Deputy Prime Minister Viktor Sobolev and (Ronald Harking), the president of an American private investment corporation, held a news conference at Scientists' House. They informed local and foreign reporters that as a result of negotiations, they have signed a Kazakh-American agreement on extracting precious metals from the great mass of waste piled up by the mining industry in the area of Leninogorsk over many years. They noted the effectiveness of the project that is currently being implemented and that will operate for many years. It is planned to extract tens of tonnes of gold and hundreds of tonnes of silver.

(Harking) said American experts would come to eastern Kazakhstan in a few days in order to determine precisely the time scale and the volume of work planned by the joint venture being set up there. He also emphasized that this project is a result of the agreement the two countries reached during President Nursultan Nazarbayev's official visit to the United States.

Mongolian Immigrants Return from Karaganda

MM2110103594 Moscow RABOCHAYA TRIBUNA in Russian 21 Oct 94 p 1

[Report by correspondent Vyacheslav Kokhanov: "From Kindly North to the South"]

[FBIS Translated Text] Karaganda—Nine families of recent immigrants have gone back to Mongolia from Karaganda. The smoke of their historical homeland seemed unbearably bitter to them. Several more families of Mongolian Kazakhs have also set out on the return journey. There is no housing for them, no work, and no money at all to set them up. Yet last year Karaganda Oblast took in 1,700 families from Mongolia, China, Turkey, and Iraq. Now the reception of new immigrants has been temporarily suspended: They would like to cope with the old ones....

'Trump' Card Lost After 'Disastrous' Harvest

LD2010194094 Moscow NTV in Russian 1600 GMT 20 Oct 94

[FBIS Translated Text] [Unidentified correspondent] The end of harvesting will be announced in Kazakhstan

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in the next few days. For the first time in many years, the authorities will break the tradition of organizing mass festivities on that day. The virtually disastrous results of the harvesting campaign have caused this decision.

Although the leadership of Kazakhstan says that one should not dramatize the situation, the figures speak for themselves. From a total area of 20 million hectares, the grain harvest is one third down on last year. No wheat or barley above the 3rd grade of quality have been harvested.

Often, the substantial part of the crops is sent to Russia from different fields, to repay the debt for fuel, lubricants, and spare parts provided to Kazakhstan by Siberian factories during the sowing campaign.

Obviously understanding the tragic situation in the harvesting area, the government has substantially cut down the state order. However, this, albeit reduced order, will not be fulfilled even at 50 percent. Grain producers sell almost all their grain to commercial structures, although very few of some 20 oblasts in Kazakhstan have harvested enough for their own needs. In this situation, the government of Kazakhstan has declared a new order of purchasing grain from farms, which is virtually tantamount to a return to prodrazverstka [requisitioning the grain by force practiced during the Civil War].

Analyzing this situation, some Kazakh politicians agree that Nursultan Nazarbayev has lost his last trump card in his foreign policy vis-a-vis CIS states.

The West is not interested in Kazakh oil anymore; there is no more Baykonur to play a political game with Russia; and there is no more grain for other countries and even for our own needs, analysts say.

First Deputy Prime Minister Chairs Economic Meeting

LD1910121494 Almaty Kazakh Radio Network in Russian 0700 GMT 19 Oct 94

[FBIS Translated Text] On 18 October First Deputy Prime Minister Nigmatzhan Isingarin met representatives of the Supreme Council deputies group Progress. During the conversation they discussed what forms of cooperation should be chosen to ensure parliament and the government have a coordinated strategy on speeding the progress of economic reforms.

It was stressed that the Cabinet of Ministers is ready for constructive cooperation at any level. For this to happen it must first be defined what course these meetings take: should they take the shape of a discussion club, round table talks, or a dialogue between government members and deputies?

In Isingarin's view for the work to be fruitful it must be clearly shown what items of the government program on overcoming the crisis are supported by the deputies and what items are considered wrong, and also what level of representatives they think should be involved in the work of, for instance, the round table talks.

The two sides decided to devote the first discussion to privatization. Information about the date and place of the meeting will be later in the press.

Kyrgyzstan

Prime Minister Tours Osh, Dzhalalabad Oblasts

LD2010105594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0000 GMT 20 Oct 94

[FBIS Translated Text] A working visit by Prime Minister Abbas Dzhumagulov to the southern region of the republic took place on 19 October. He visited a number of work collectives and enterprises in [names indistinct] and had a meeting with the people of Osh and Dzhalalabad Oblasts, where they discussed current problems and possible solutions.

Government Statement on the Economy

LD2010214494 Bishkek Kyrgyz Radio First Program Network in Russian 1000 GMT 20 Oct 94

[Statement by the Press Service of the Government of the Kyrgyz Republic—announcer-read]

[FBIS Translated Text] Recently several publications have printed on their pages materials that [word indistinct] deal with the economic policy of the government of the Kyrgyz Republic. The processes going on in the industrial complex, particularly the ineffectiveness of work at most plants and factories, as well as the policy aimed at privatization and denationalization, have been subjected to criticism. Our industry's illness is inherited from the former system. It cannot meet the requirements of the market economy. The practice of other reformed countries shows that without privatization it is impossible to move toward the market. Some articles say that the government is conservative and does not march in step with the rulers [as heard].

Indeed, the situation in the economy is grave. The criticism is true on the whole. But hoping that the government will reform itself immediately over such a short space of time is incorrect. Time is needed. A great deal has been done even over that short space of time. By now we have obtained definite results and to ignore them and not to feel the breadth of the planned changes is unfair.

The process of denationalization and privatization of state property in the republic continues. As of 1 October, 378 sites had been privatized since the beginning of the year, including 23 industrial sites, 137 sites in the consumer services, nonmaterial, trade, and public catering spheres; in agriculture—63, in building—57, in transport—10, in miscellaneous branches—88. In general the process of privatization and denationalization in our republic, in comparison with other CIS countries, is

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proceeding without particular obstructions and at accelerated rates that enables us to develop diversity in the economy.

The government of the Kyrgyz Republic adheres to the open-door policy and facilitates the development of the market economy. Resolution No. 358 adopted by the government on 28 May 1994 on abolishing export tax for any sorts of goods, excluding nine exclusively important ones, is a proof of it. Definite work is being conducted by the government to abolish customs tariffs for all kinds of exported goods, excluding three types.

One can say with certainty that the republic has managed to curb inflation. If its level was 12.8 percent per month at the beginning of 1994 and 17 percent in February then during the last three months it is less than 3.5 percent and it dropped to 0.2 percent in September. Inflation is the scourge of the economy and first and foremost, it flogs the poverty stricken strata of people, pensioners, students, etc.

But today the principal thing is the [word indistinct] initiative of people that is gradually moving away from parasitism and full dependence upon the government toward active creative work and [word indistinct] new life. In view of this, the press service of the government is authorized to state that the government of the Kyrgyz Republic continues to carry out its duties in its full capacity and continues to be responsible for the consequences of the economic policy being conducted. As an executive power it is able to bring the reforms that have begun to their logical end and to conduct the next democratic changes in conditions of a market economy.

But there is a lot of work to do. In accordance with the concept of the economic and social development of the republic to the year 2000, the government of the Kyrgyz Republic has started implementing the comprehensive program for ensuring structural reforms in the economy for 1994-97. The agrarian and land reforms are being carried out at full speed in the countryside. The reorganization of enterprises is being carried out within the framework of PESOC [as heard—expansion unknown] and the preparations for winter and autumn are coming to an end.

Presently the preparation of a draft presidential edict on public enterprises and a draft government resolution on adopting a standard charter for public works, factories, and farms established on the basis of eliminated state enterprises is being considered by the [word indistinct] State Property Fund. A number of tough measures are envisaged in the draft to demarcate the subjects of management of the state sector in the economy and the functions of the state structure bodies, as well as to determine sources for financing them.

Committee Calls For Bar on Presidential Amendments

LD2110103694 Moscow ITAR-TASS in English 1011 GMT 21 Oct 94

[By ITAR-TASS correspondent Boris Maynayev]

[FBIS Transcribed Text] Bishkek October 21 TASS—Kyrgyz Coordinating Committee of the Congress for Constitution Protection has called on the population not to endorse Constitution amendments proposed by President Askar Akayev in the referendum due to be held this Saturday. The address was circulated among reporters today.

The statement's authors say the change of the Constitution will lead to federalism and division of Kyrgyzstan since kinships will start territorial remapping in interests of "disguised party placemen."

The congress issuing this statement was established a month ago by the far-left party "Erkin Kyrgyzstan", the "Communist Party of Kyrgyzstan" and several public groups. All assert that the September 5 resignation of the Kyrgyz Government and refusal of almost 200 parliamentarians to attend the last, September 27 parliament session had been inspired by party nomenclature men in Akayev's surrounding and by regional administration heads appointed by him. In addition, the congress says, the two-house parliament proposed by the referendum will split the country into south and north, with danger to Kyrgyzstan's sovereignty.

According to Akayev, the present one-house parliament does not live up to the republic's challenges. The president thinks a standing 35-seat legislative assembly and a 70-seat chamber of people's representatives should be set up. The latter would work on a sessional basis and would comprise the regional elite, thus providing a safeguard against chaos of tribalism.

The Saturday referendum is to show the population's mind on the issue.

Tajikistan

Deputy Prime Minister Nazriyev Killed by Mine

LD2010112894 Moscow Radio Rossii Network in Russian 1100 GMT 20 Oct 94

[FBIS Translated Text] In Tajikistan today, Munavvarsho Nazriyev, deputy chairman of the Council of Ministers of the republic, was killed. As reported by INTERFAX, this happened 230 kms from Dushanbe, in a settlement of the Garm District. The automobile of the deputy minister was blown up by a mine set by guerrillas of the Tajik opposition. The driver of the car was also killed, and one of the guards was seriously injured. An investigation is under way.

Terrorism 'Not Ruled Out'

LD2010115794 Moscow ITAR-TASS World Service in Russian 1120 GMT 20 Oct 94

[By ITAR-TASS]

[FBIS Translated Text] Dushanbe, 20 October—Munavvarsho Nazriyev, 55-year-old deputy chairman of

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Tajikistan's Council of Ministers, was killed today at 0800 hours local time in Garm, 200 km east of Dushanbe. The ITAR-TASS correspondent has learned that he went to this area by car on a business trip on Wednesday [19 October] morning.

According to preliminary data, the car in which the deputy prime minister was traveling was blown up by a mine. As a result, he and his bodyguard were killed. Two staff members of the Cabinet of Ministers' office, who were accompanying M. Nazriyev, received injuries.

Officials are so far refraining from any comment, as they do not have precise data on what happened. At the same time, the Security Ministry has not ruled out the probability of a terrorist act. It is precisely today at 0800 hours that the cease-fire agreement between supporters of the Tajik leadership and the Islamic opposition came into effect.

Should this event turn out to be an act of terrorism, this could seriously affect the observance of the moratorium announced by the sides and threaten to disrupt the third round of inter-Tajik talks, which started in Islamabad today, observers say.

Opposition Blamed

LD2110100594 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 21 Oct 94

[FBIS Translated Excerpt] From the Presidium of the Supreme Soviet and the Council of Ministers of Tajikistan:

The Presidium of the Supreme Soviet and the Council of Ministers of Tajikistan announce with deep sorrow that Munavvarsho Nazriyev, deputy chairman of the Council of Ministers, and driver Anatoliy Isakov, were martyred in tragic circumstances on 20 October 1994, while on a duty trip. Their vehicle hit a mine and exploded near the [name indistinct] village, Garm Rayon, which was planted by irreconcilable opposition.

The Supreme Soviet Presidium and Council of Ministers are saddened by the death of Munavvarsho Nazriyev and Anatoliy Isakov and express their deep sympathies to their families and friends. [passage omitted]

Munavvarsho Nazriyev's funeral will take place today in the center of Garm Rayon.

Cease-Fire Agreement Comes Into Effect

LD2010110594 Moscow ITAR-TASS in English 1046 GMT 20 Oct 94

[FBIS Transcribed Text] New Delhi October 20 TASS—A ceasefire agreement, signed in September by representatives of the Tajik Government and opposition, came into effect today in the morning, Ramiro Piris Ballon, special envoy of the U.N. secretary general on Tajikistan, has announced in Islamabad.

According to Ramiro Piris Ballon, the agreement came into force on the day when a group of U.N. observers, who arrived in Tajikistan for monitoring ceasefire, started working. This should make it possible to hold general elections in Tajikistan in November. The observers were deployed in the area of the Pamir and in a number of localities along the Tajik-Afghan border.

UN Observers Report No Violations

LD2110094294 Moscow ITAR-TASS in English 0848 GMT 21 Oct 94

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe October 21 TASS—Chief U.N. military observers deployed in Tajikistan, General Hasan Abaz from Jordan, is not inclined to see a link between the tragic death of the Tajik Vice-Premier Munavarsho Nazriyev and the violation of an inter-Tajik agreement on a temporary ceasefire which came into effect early on October 20.

In an interview with ITAR-TASS chief of the U.N. mission of observers said that according to reports received from U.N. observers from the Garma and Tavildar regions, over the past twenty fours hours there were no major incidents of violation of the ceasefire or any other hostilities on the Tajik-Afghan border or inside the country in the area under their control.

Abaz said that at present, the number of U.N. observers deployed in Tajikistan is 12, but next week more observers are expected to arrive. Abaz pointed out that at least 200 observers are needed to exercise full and objective control over the fulfillment of the inter-Tajik agreement.

Peacekeeper Says Opposition Will Continue Fighting

LD2010203994 Moscow INTERFAX in English 1813 GMT 20 Oct 94

[FBIS Transcribed Text] The commander of the CIS peacekeeping forces in Tajikistan, Colonel General Valeriy Patrikeyev, believes that the opposition will not stop fighting the republic's leadership whatever the outcome of the future presidential elections.

In an interview with INTERFAX Thursday [20 October], he said that stabilizing the situation in Tajikistan would probably take a long time. To normalize the situation, all illegal armed units must be disarmed, while the republic's leadership must pursue an active and reasonable policy.

According to Patrikeyev, it is impossible to completely close the Tajik-Afghan border. Rebels and Afghan mujaheedins penetrate into the republic mainly through the mountainous area in Gorny Badakhshan, he added.

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Patrikeyev supported the CIS heads-of-state agreement to send 16,000 peacekeeping troops to the republic. "Today we have only 50

of this number," he said.

Patrikeyev said he was confident that the rebels' activity on the border will decrease as the winter closes in. All highland passes will be inaccessible, and the opposition will be piling up weapons and munitions, he said.

Patrikeyev stated that peacekeepers will render necessary military support to Russian border guards as before. "The borders of Tajikistan are the borders of the Commonwealth," he said.

The CIS Defense Ministers' Council supported the Tajik leadership's proposal to extend the peacekeepers' mandate under Patrikeyev's command until June 30 1995.

Dushanbe Accused of Violating Tehran Agreements

LD2010205294 Moscow INTERFAX in English 1655 GMT 20 Oct 94

[FBIS Transcribed Text] Dushanbe is violating its agreement with the opposition, First Deputy Chairman of the Movement for Islamic Rebirth of Tajikistan Akbar Turadjonzoda declared at the official opening of the Inter-Tajik negotiations. He said an exchange of prisoners of war kept by the opposition and political prisoners who are in Tajik prisons is to take place on October 17. Turanjonzoda also accused the republic's leadership of the murder of two political prisoners, Eshoni Said Ashfar and Adzhik Aliyev. However, representatives of Dushanbe refute this fact and assert that they died of natural causes.

On October 17 representatives of the opposition and the Tajik leadership signed a cease-fire agreement on the Tajik-Afghan border and inside the republic. It is to go into effect on October 20 after UN military observers came to Tajikistan.

Sources in the opposition delegation told Interfax that the parties intend to hold consultations with the IN representative Ramiro Piriz Ballon, in charge for the Inter-Tajik negotiations, in the near two days.

First Vice Speaker of Tajikistan's parliament Abdumajid Dostiyev heads Dushanbe's delegation at the Inter-Tajik negotiations.

Six Rebels Killed in Clash With Interior Troops

LD2010135794 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 20 Oct 94

[FBIS Translated Text] At 0400 yesterday a special group from the interior affairs department of Kofarnihonskiy rayon clashed with an armed group of insurgents. The clash occurred during a cleaning-up operation of insurgent groups operating on the territory of Kofarnihonskiy and Leninskiy Rayons in the [word indistinct] collective farm. As a result of the clash, which lasted for more than two hours, the group was destroyed. Six members of the group, including its leader, (Toshpulatbekov), who was being pursued by the law and order department for murders, were killed. One member of the [words indistinct]. Three Kalashnikovs, many grenades, and other hardware were taken from the insurgents.

There was a victim among the militia: Kurbon Asrorov, a (?junior) militia officer from Shurobodskiy rayon, was killed while heroically defending his comrades against the enemy. His friends and family laid him to rest the same day.

Turkmenistan

Iranian Deputy Foreign Minister on Official Visit

LD1810124394 Ashgabat TURKMENSKAYA ISKRA in Russian 10 Oct 94 p 1

[Unattributed article: "On a Bilateral Basis"]

[FBIS Translated Text] Mr. Manuchehr Mottaki, deputy foreign minister of the Islamic Republic of Iran, was pleasantly surprised when the mayor of the town of Turkmenbashi, Ch. Ovezklychev, while showing him around the town, showed him the former Iranian representation building. Nearly one century has gone by, but nevertheless older inhabitants remember the residence of the diplomatic mission from the neighboring state.

In the town hall of the seaside town, a meeting was held with the Iranian diplomat. The opening of an Iranian consular section in Turkmenbashi was planned and other important questions were discussed. The convenient geographical location of the town on the crossroads to Azerbaijan, Kazakhstan, and the Russian Federation, and through them to Europe makes the prospects for cooperation promising. In addition, the Iranian ports of Anzali, Noshahr, Rasht, and Bandar-e Torkaman are a stone's throw away, by sea 230-270 km.

"I cannot see any obstacles," stressed M. Mottaki, "to setting up sea passenger services between Iran and Turkmenistan."

Examples of goods produced in Turkmenbashi were shown to the Iranian guest. Particular attention was paid to the production of needle-shaped, electrode coke, and relatively cheap synthetic detergents manufactured by the local oil-refinery. The necessity of the quickest possible implementation of the project to carry energy from Turkmenbashi to the northern regions of Iran was stressed. In return, the Iranians are ready to give the seaside town help in modernizing fish processing enterprises. They offered to expand a permanent exhibition of goods here and to attract business circles as well.

Accompanying the Iranian diplomat, the deputy Turkmen foreign minister, Ch. Babayev, spoke in detail about specific ways of expanding Turkmen-Iranian

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cooperation further. Interstate dialogue between the recognized leaders of Turkmenistan and Iran, Saparmurad [Niyazov] Turkmenbashi and 'Ali Akbar Hashemi-Rafsanjani, should bear weighty fruits for the common good of both countries.

Niyazov Proposes Caspian Oil Fields Consortium

LD2010171094 Moscow INTERFAX in English 1426 GMT 20 Oct 94

[FBIS Transcribed Text] Turkmenistan President Saparmurad Niyazov has proposed setting up an international consortium to develop Caspian oil fields.

Such a consortium could solve the legal problems around the development of Caspian oil fields, Niyazov told a news conference in Istanbul on Wednesday.

He said that both legal and environmental aspects of the issue would be considered on October 27 in Ashkhabad [Ashgabat], where the leaders of Iran, Azerbaijan, Kazakhstan and Russia will converge to celebrate the third anniversary of Turkmenistan's independence.

"The Caspian must not become a zone of disputes or a source of discord," Niyazov said.

He said Turkmenistan had no objections to Azerbaijan's recent oil contract with a Western consortium.

Uzbekistan

Karimov Receives Japanese Business Delegation

LD2110104694 Tashkent Radio Tashkent Network in Uzbek 0300 GMT 21 Oct 94

[FBIS Translated Text] On 20 October, Uzbek President Islam Karimov received members of a delegation from the Japanese Mitsubishi Corporation, headed by Makoto Kuroda.

During a friendly conversation, Karimov stressed that the interested study by the Japanese entrepreneurs of the process of economic reforms in Uzbekistan and their attempts to find suitable partners will serve to further cement mutual cooperation.

Kuroda, president of the company, expressed gratitude for the warm reception. He said that as one of the leading states of Central Asia, Uzbekistan—which is living in conditions of peace and stability and moving along the road of change—is opening up new prospects for cooperation for Japanese entrepreneurs.

Otkir Sultanov and Kayim Khakkulov, deputy prime ministers of the Republic of Uzbekistan, and R. Asimov, chairman of the board of the National Bank of Foreign Economic Activities, took part in the reception.

The ambassador plenipotentiary and extraordinary of Japan in Uzbekistan Ukeru Magosaki was present at the reception.

Karimov Assesses Goals of CIS Conference

LD2010130994 Tashkent Radio Mashal in Uzbek 1030 GMT 20 Oct 94

[FBIS Translated Text] An Uzbek delegation headed by President Islam Karimov has gone to Moscow to take part in the meeting of CIS leaders. Our correspondent interviewed our president at the airport.

Many observers say that there are eleven points on the agenda of the CIS leaders' meeting, which will start its work tomorrow. These questions will, of course, be devoted to the development of economic relations between CIS states, to calming the situation in regions where peace is unstable, and the development of friendly ties between republics. Five months have passed since the first meeting of CIS leaders, which was held in May. What problems are going to be discussed at the forthcoming meeting? We put this question to the president of our republic:

[Begin recording] [Unidentified correspondent] Every one of your visits is viewed by the people with great hope because they concern the interests of the state and the people. What will be discussed at the meeting tomorrow?

[Karimov] We held the first meeting in May and now it is the middle of October. I think we have a lot of questions to discuss. Using this opportunity, I want to say that whether they are Russians, Ukrainians, Kazakhs, or Uzbeks, people are tired of today's games. They are all waiting for decisive acts and resolutions—that is, people are tired of artificial barriers in currency, payments, accounts, of the complexity of doing simple human duties, for example, to come to Russia to bury somebody or vice versa; people are artificially separated from each other. This is the first question.

The next question is that many people are eager to turn back to the former system. They want to establish the former regime, the slave policy of Russia, to establish the former Russian empire. This is an artificial policy. There are different forces in Russia. There are forces who miss such policies—for example, such leaders as Solzhenitsyn and Zhirinovskiy. Of course, people who have a sober view of events will not accept their ideas. Neither Uzbeks nor other European people will accept such foolish ideas. We have to speak on these questions. We think that sober forces in Russia will show themselves soon. If necessary, they will take the leadership in policy. I think we will come to a definite conclusion on these questions. We are always ready here in Uzbekistan to help the sober forces of Russia.

Another question is to restore the economic union. All enterprises want this. Life in Uzbekistan is connected to this economic union. Some of our neighbors who cry Eurasia want to establish the former regime. It does not matter what they call it—the USSR or the Russian empire. That is why every leader should speak toughly about these problems, and we must come to a definite conclusion. [end recording]

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London Recognizes Uzbek Gold as Top Quality

LD2010204394 Tashkent Uzbek Television First Program Network in Russian 1400 GMT 20 Oct 94

[FBIS Translated Text] A telegram addressed to President of Uzbekistan Islam Karimov, has been received.

Dear Mr. President, it says. With great satisfaction I would like to inform you that on Friday [14 October] the London Association of the Precious Metals Bullion Market unanimously decided to confer the status of optimal yield on the Uzbek refining plant in Navayi. That means that the Uzbek hallmark that you introduced during your historic visit to London about a year ago, from now on, will be recognized throughout the whole world and will be accepted as a hallmark reflecting the highest quality.

The Republic of Uzbekistan is the first independent republic of the former Soviet Union that has gained such an important status. And I am sending my cordial congratulations to you, Mr. President, and to all in Uzbekistan who contributed to achieving this success.

Rothschilds are proud they contributed to this success, and I hope that this, to an ever greater degree, will consolidate the basis for strong, long, and mutually advantageous relations between our countries.

[signed] Sir Evelyn Rothschild, chairman of the board of the financial group Rothschild and Sons.

UNESCO Conference on Central Asian Media Held

LD2010133194 Tashkent KHALQ SOZI in Uzbek 20 Oct 94 p 1

[FBIS Translated Text] On the initiative of the Kyrgyzstan National Commission for UNESCO affairs, a meeting of editorial staff of Central Asian publications was held 13-14 October in Bishkek. A group of journalists and chief editors of many newspapers and magazines from Uzbekistan, Tajikistan, Kazakhstan, and Kyrgyzstan as well as representatives of UNESCO took part in the meeting.

"The independent states of our region face major tasks and their successful solution depends on the talents and work of journalists as well," said Adash Toktosunova, head of the Republic of Kyrgyzstan's National Commission for UNESCO affairs. Journalists in our region are not exchanging their experiences as much as desired. There are objective reasons for that, of course. Our tasks are unique: to truly show people the good deeds of our governments in such a difficult situation, to strengthen people's belief in tomorrow. Then to establish a mutual exchange of experience and work together in solving common problems.

With this aim the International Association of Media Personnel and Journalists of Central Asia was organized. The main aim of this nongovernmental association is to expand relations between the media and journalists, give them technical assistance, organize seminars and conferences in some fields, and to spread the leading ideas of some parts of the mass media and mutual exchange of information etc. It should be noted that the association will not interfere in the affairs of any state, that is, it is far removed from politics and is mainly concerned with the problems of professional skill.

The main staff of the association is situated in Bishkek and there are plans to organize a department of it in every state as well. The regulations of the association were adopted. Bayan Sarigulov, chief editor of KYRGYZSTAN KRONIKL newspaper, was elected leader of the association (for a period of two years). The speech by Ziyod Yesenboyev, a member of the Uzbek delegation, head of the society for supporting the press and chief editor of UZBEKISTON MATBUOTI magazine, greatly interested the participants.

Organized at the initiative of the president of Uzbekistan, the society for supporting the press is the only one in our region within the CIS states. "This means," said a participant, "there is no doubt that much attention is paid to the media in your country and it will be nice if other states support Uzbekistan's experience."

It should be noted with great pleasure that the participants, famous journalists from the region, evaluated highly the reforms being carried out in our country.

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Armenia

Turks, Azerbaijanis Said Not Allowed in Karabakh

NC2010211094 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 20 Oct 94

[Station commentary: "The Turks and Azerbaijanis Cannot Bring Peace to Karabakh"]

[FBIS Translated Text] The Turks could only bring devastation to Karabakh and evict the Armenians there, like they did in Western Armenia [historic Armenian lands in eastern Turkey] and Nakhichevan.

Turkey is still pursuing this same policy toward Armenia and Karabakh. Facts to prove this abound: the blockade of roads bringing humanitarian assistance to Armenia, the arms supply to Azerbaijan, its openly crude anti-Armenian position at the [CSCE] talks, and the policy announced by [Turkish President] Suleyman Demirel and [Prime Minister] Tansu Ciller.

Not content with its active participation in the international talks on the Karabakh problem as a peace-making mediator in the CSCE Minsk Group, Turkey sent its representative to Karabakh. The result is known: Karabakh declared that his security could not be guaranteed. Thus the Turk could not put his foot there. Per Anderman, the head of the [CSCE] delegation, expressed his dissatisfaction and the Turkish ZAMAN paper protested. It cannot be ruled out that others too will level criticism. But, as they say, Karabakh will pretend not to hear them all because the step taken by it is well-calculated and reasoned.

They [the Turks] will send a diplomat today, an entire delegation tomorrow, and then an entire Turkish Army unit will suddenly appear in Karabakh as part of an international peace-keeping force resulting in the establishment of perfect peace there.

A struggle should be waged to prevent any Turk from participating in talks on Karabakh. The Armenian side could support its position by producing proof. This should be done not only by Karabakh but also by Armenia. Step-by-step Azerbaijan is achieving its demands and obtaining some results. The status of Karabakh has been relegated to the least importance in the major political agreement now under discussion. One unwittingly remembers the historic past when the Armenian question was removed from Article 16 [of the San Stefano treaty signed on 3 March 1878 when major powers promised to improve the Armenians' lot in the Ottoman Empire] to Article 61 [of Berlin treaty of 13 June 1878 when these promises were forgotten]. Karabakh has made a profound study of the past. General Samvel Babaian, commander of the Nagorno-Karabakh Defense Army, has declared that only in return for the status could the Karabakh Army units be withdrawn from those areas that do not have major strategic and economic importance for Karabakh and the return of which will not threaten the security of the Karabakh population.

But, is there any chance of the Azerbaijanis coming to Stepanakert? The reply has been given by Robert Kocharian, chairman of the State Defense Committee [of Karabakh], to an American reporter: I myself will shoot the first Azerbaijani to enter Karabakh.

Let all those who are contemplating leaving Karabakh within the structure of Azerbaijan take note of this warning.

Four Deputies Reportedly Beaten Up

NC2010140294 Yerevan SNARK in English 0808 GMT 20 Oct 94

[FBIS Transcribed Text] Yerevan, October 20 (SNARK)—Four deputies of the Armenian parliament, representatives of the oppositional National-Democratic Union (NDU), were assaulted in a study of Executive Committee chairman of the second Armenian city, Gyumri (former Leninakan).

Members of the Armenian Supreme Council presidium Davit Vardanian, Arshak Sadoyan, deputies Shavarsh Kocharian and Seyran Avakian travelled to Gyumri to participate in the meeting organized by NDU.

According to Kocharian a representative of Armenian Government to Gumri Mikayel Vardanian took part in the beating. Bottles with broken bottoms as well as fire arms were used against the victims. Mikayel Vardanian with a group of fighters tried to prevent the meeting sanctioned by authorities.

SNARK was informed in the Prosecutory office, a criminal case has been brought and an investigative group of Armenian Prosecutory office has been sent to Gyumri.

Today at 1.00 pm ND [item incomplete as received]

Azerbaijan

Aliyev Stresses Turkism to Izmir Turkic Congress

NC2110102894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 20 Oct 94

[FBIS Translated Text] The Second Turkic States and Communities Congress opened today in Izmir.

[Begin recording] [Esmira Cerkezkizi] The aim of the Second Turkic States and Communities Congress in Izmir this year—the first congress was held in March last year in Antalya—is to promote friendship, brotherhood, and cooperation. The forging of multilateral cooperation and mutual support between the Turkic states—which share the same religion, language, racial roots, common history, and culture—in these difficult days, the defense

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of human rights and cooperation in this field are important for the troubled Turks worldwide at the close of the 20th century.

The brothers had long been sundered from each other by iron hands and the bitter gust of the rough northern wind [Russia]—which has branded Turkism, which arises from a single race and is a symbol of invincibility and fury, as Pan-Turkism. These brothers, though, have shown that they are able to reunite and prove the Turkic world's resolve, strength, and greatness.

The Azeri Turks are also enlisted among the 700 delegates representing the Turks of the world at the Izmir congress, set to last three days.

A 50-man delegation of scientists, cultural workers, economists, and specialists from our republic are representing Azerbaijan in this prestigious congress attended by Turkey's state and government officials.

Professor Mutuz Eleskerov addressed the congress in the name of the Republic's delegation. The speech was directly broadcast by Turkish television today.

[Eleskerov] Valued representatives of the Turkic world, I want to read a congratulatory message from the Azerbaijani president, the esteemed Geydar Aliyev, to your congress.

I greet the participants in the friendship, brotherhood and cooperation congress of the Turkic peoples and wish them success. Having emerged from the grave trials of history, the Turkic peoples become one of the important moving forces from ancient times and the Middle Ages by developing their scientific, cultural, economic, and political ties. Numerous annals of heroism and humanistic literature bequeathed to history by the Turkic peoples in those ages have inspired the glorious cultural works of the entire world civilization, and have become a source of pride for the world.

The contemporary Turkic world, which is living through its new period of ascendancy, is capable of contributing matchless specimens to humanistic civilization. For the numerous Turkic republics, which have now gained their independence, to join in this work would raise bright hopes in the future of the Turkic world.

The Turkic peoples, who have begun to unite with tight economic, political, and cultural ties, is being transformed into one of the determining factors of the new world.

I am sure that this congress of the Turkic peoples will give a new impetus to this lofty aspiration.

The Azerbaijani Republic, which marked its third independence anniversary, is doing everything to strengthen the fraternal family of the Turkic peoples. This is the wish from the heart of each Azeri Turk.

I have no doubt that the unwavering friendship of the Turkic peoples, who have embarked on the new road of historic development, will further consolidate. I wish from God Almighty peace, security, and prosperity for all the Turkic peoples.

[Signed] President of Azerbaijan, Geydar Aliyev

[Cerkezkizi] Afterwards, Mutuz Eleskerov briefed the Turkish officials on socio-political events taking place in Azerbaijan, which is a part of the Turkic world and which at present finds itself squashed in a vice of difficulties, agonies, and distress.

The world's Turkic states have long aspired to independence, but have often felt the bitterness of gaining it with difficulty, and have finally experienced the sweet taste of independence. The world's Turkic states under a single and invincible Turkish flag is an honor for each Turk and homage to Turkism. [end recording]

President Returns From Turkic Summit

NC2010155194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1300 GMT 20 Oct 94

[FBIS Translated Text] Azerbaijani President Geydar Aliyev returned home last night from the Istanbul summit [of the leaders of the Turkic states]. Our correspondent Sayyad Akhbabali reports:

[Begin recording] [Akhbabali] The development of ties and contacts between peoples sharing the same history, roots, religion, and language is the demand of the times and the material and spiritual need of the peoples. The Istanbul summit, which was the logical continuation of the Ankara summit in 1992, determined and promoted the perspectives for the development of ties and for the widening of mutual relations between peoples sharing Turkic language, roots, and origin.

Despite efforts by some to cast shadow and suspicion on the Istanbul summit and to brand it a Pan-Turkist meeting allegedly detrimental to the interest of various states, the Istanbul summit arose from the historical reality of the independent states and was in conformity with all the international norms. The statement issued at the end of the summit is a clear proof of this. This historic document signed by the presidents of Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkey, and Turkmenistan serves the development of cultural and historic ties and the widening of the cooperation between peoples, and is not aimed against any state or organization. In characterizing the Istanbul summit, Turkish President Suleyman Demirel stated that this meeting did not involve enmity, only friendship and peace.

In our evening program we will speak in detail on the Istanbul summit. We will bring to you the Azerbaijan president's address to the Istanbul summit and his statements during the news conference. This address and the statements by the other heads of state once again confirms that the Istanbul summit had no ethnic underpinnings. Very simply, forces fearing the tendency for mutual rapprochement [between the Turkic states] are uneasy.

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President Geydar Aliyev and his entourage returned to Baku yesterday night. President Geydar Aliyev was received at Baku's Bina Airport by Chairman of the Supreme Soviet Rasul Guliyev, Acting Prime Minister Fuad Guliyev, deputy chairmen of Supreme Soviet, state advisers, ministers, heads of committees and enterprises, and other officials. [end recording]

President Leaves for CIS Summit in Moscow

NC2010160294 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1300 GMT 20 Oct 94

[FBIS Translated Text] Republic President Geydar Aliyev left for the Russian capital today to take part in the scheduled meeting of the CIS heads of state in Moscow.

Georgia

Premier Welcomes Iranian Ambassador Haqbin

LD2010193894 Tbilisi IBERIA in Georgian 1545 GMT 20 Oct 94

[FBIS Translated Text] Tbilisi 20 [dateline as received]—Georgian Prime Minister Otar Patsatsia met Fereidn Haqbin, Iranian ambassador extraordinary and plenipotentiary to Georgia. The parties expressed satisfaction with the implementation of an agreement reached earlier by the two countries. They spoke, in particular, of natural gas supplied to Georgia by Iran currently at the rate of 16 million cubic meters per day. "Ambassador Haqbin's contribution to this and other practical steps is very high," emphasized Patsatsia.

Iran Thanked for Support

LD2010222694 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 2030 GMT 20 Oct 94

[FBIS Translated Text] The Georgian prime minister in a meeting with the Iranian ambassador to Tbilisi on Thursday [20 October], thanked the Islamic Republic of Iran for its support for Georgia at various stages and called for the expansion of relations and bilateral cooperation.

In return the ambassador of the Islamic Republic of Iran referred to the agreed projects in the first joint commission for cooperation and announced Iran's readiness to expand the cooperation.

He also emphasized that the Islamic Republic of Iran supports stability in the Caucasian region with Georgia at its center.

Trading House Agreement Signed With Turkey

AU2010145994 Tbilisi REZONANSI in Georgian 13-14 Oct 94 p 2

[Unattributed article: "A Turkish-Georgian Trading House Has Been Established"]

[FBIS Translated Text] As a result of talks between Turkish and Georgian delegations, a Turkish-Georgian trading house has been established. In connection with this fact, on 11 October, an agreement was signed in the Tbilisi city hall between Turkish leaders and the heads of Tbilisi's city administration. The aim of the creation of the Turkish-Georgian trading house is to develop commercial relations between these two states.

British Firm Plans To Develop Light Industry

AU2010145494 Tbilisi REZONANSI in Georgian 13-14 Oct 94 p 5

[Unattributed report: "Georgia-Great Britain Agreement"]

[FBIS Translated Text] On 10 October, Deputy Prime Minister Temur Basilia received a delegation from Britain. It is headed by Christopher Wilson, manager of the "Georgian Trade" firm. Four projects were presented to the deputy prime minister on the development of Georgia's light industry; they were licensed by experts from the English firm "Coopers and Lybrand."

On 15 October, it is planned to draw up an agreement on the basis of these projects.

Direct Tbilisi-London Charter Flight Established

AU2010145894 Tbilisi REZONANSI in Georgian 13-14 Oct 94 p 2

[Unattributed report: "A New Flight"]

[FBIS Translated Text] There will be a direct air flight between Georgia and Great Britain and Northern Ireland.

On 11 October, the corresponding document was signed by Zurab Chankotadze, head of the Georgian Air Department, and Elizabeth Whatmeave [name as transliterated], representative of the British Ministry of Aviation. It is planned that a charter flight between Tbilisi and London will come into operation in the near future.

Abkhaz Refugees Question UN, CIS Abilities

LD2010212394 Tbilisi Radio Tbilisi Network in Russian 1610 GMT 20 Oct 94

[FBIS Translated Text] Members of the action group of the Rukhi action [refugees protesting, near the village of Rukhi against the delay in their return to Abkhazia] made a statement today addressed to UN Secretary General Butrus Butrus-Ghali, participants in the CIS summit in Moscow, Russian President Boris Yeltsin, and Georgian head of state Eduard Shevardnadze.

The statement, in particular, says that it has been four months now since the CIS peacekeeping forces took up a commitment, approved by the UN Security Council, to carry out a peacekeeping action in the Abkhaz-Georgian conflict zone, thus guaranteeing the security of the refugees returning to Abkhazia. However, the current

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situation demonstrates that the peacekeeping forces not only failed to stop ethnic cleansing and promote the return of the refugees but also, on the contrary, virtually turned into a frontier contingent separating Abkhazia from the Republic of Georgia.

Disappointed and repeatedly cheated refugees from Abkhazia are questioning the possibilities of the United Nations and Russia's desire to find a real solution to the problem. This may provoke a disorganized crossing of the Inguri river by the displaced people and hence, fresh bloodshed.

In conclusion, the statement voices the hope that the world community will spare no efforts to start urgent and practical repatriation of those exiled from Abkhazia to their domicile.

Adzharia Parliament Chairman Abashidze Interviewed

MM2010121994 Moscow TRUD in Russian 20 Oct 94 p 5

[Interview with Aslan Abashidze, chairman of Adzharia Autonomous Republic Supreme Council, by Olga Boguslavskaya datelined Batumi-Moscow; date not given: "Georgia-Abkhazia: Fatal Caucasian Circle. Adzharia Supreme Council Chairman Aslan Abashidze Believes That the Georgian-Abkhazian Conflict Could Have Been Avoided"—first two paragraphs are introduction]

[FBIS Translated Text] Batumi-Moscow—The difficult process of finding a peaceful settlement to the Georgian-Abkhazian conflict, in which Russia is involved, has been under way for a few months. Although the war was not waged on Russian territory in one way or another it has involved us too, and the Russian state must also bear the burden of its consequences.

Georgia, Azerbaijan, Armenia, Moldavia [Moldova], Tajikistan, and Chechnya—civil and interethnic clashes on the territory of the former fraternal republics and autonomous formations are a source of pain and a lesson to us all. There are reasons for these wars—overt and covert, those which are obvious to everyone, and those which are known to a very few people. Among them Aslan Abashidze, chairman of the Adzharia Autonomous Republic Supreme Council. He was effectively the only major politician in Georgia to categorically oppose the Georgian Armed Forces being brought into Abkhazia. He was the first person at the very start of the war to propose holding bilateral peace talks in Batumi between Abkhazian leader Vladislav Ardzinba and the Georgian leadership. Had that meeting taken place—but he was not to blame for its not going ahead—events in Abkhazia would probably have taken a different turn....

[Boguslavskaya] Aslan Ibraimovich, relations between an autonomous formation and the center are one of the key problems in our troubled times. Allow me to ask you a direct question: When you condemned the introduction of the regular Georgian army into Abkhazia were you not primarily thinking that the same thing might lie in store for Adzharia in the future and that this would set a dangerous precedent for the autonomous formations in the Caucasus?

[Abashidze] I was above all shocked by the means chosen to resolve a strictly political problem. The situation was indeed very complex. The Georgian national economy had been paralyzed by the breakup of the Union and the blockade on the railroad through Abkhazia aggravated this situation still further. But the guarding of the railroad should have been organized by MVD [Ministry of Internal Affairs] forces alone.

Bringing in army rather than militia formations meant directly involving ourselves in a long and bloody civil war. I warned that the country would end up in a very difficult position whatever the outcome.

I well remember the moment during the discussion when I suddenly realized that my disagreement might be seen not so much as concern for Georgia's integrity and interests as a calculated political approach to the problem by the chairman of a similar autonomous republic's Supreme Council. In order to totally clarify the situation I then said sternly that this would not happen to Adzharia, any aggression of this kind would be stopped at its administrative border. Believe you me, it was hard for me to say that but I saw no other option. I had to deflect all doubts and prevent a decision fatal to our state. Regrettably, all my efforts proved to be in vain....

[Boguslavskaya] Presumably you have to be confident in your own forces to make that kind of statement.

[Abashidze] We had well-armed formations, thousands of reservists, and the population's full support. Enough for a rebuff in the event of an attempted invasion. In the event of any complication in the situation near Adzharia we usually bring out appropriate forces to reinforce the administrative border.

But during those first few hours I found myself in a very tricky position. I can picture even now the 48-hour rally 22-23 April 1991 in the center of Batumi. This was a well-organized action on the part of those political forces who were trying to blow up Georgia from Adzharia by misleading the people. Why from Adzharia? Because it occupies a major strategic position within the state. This, not Abkhazia or South Ossetia, is the "golden key" that opens all doors.

At that time my family and I were living in a house on the administrative border. I was asked to move but I was afraid of increasing still further the disquiet reigning among the people.

When armed formations moved toward Abkhazia with all the heavy equipment that the Republic of Georgia had been given the day before, they stopped enroute in Samiredia, less than 100 km from Adzharia. And we were told that the Georgian Defense Ministry planned to

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divide the troops in two and attack both autonomous republics almost simultaneously in two wedges. That might have been misinformation. But, considering the fact that some high-ranking officials said this publicly, including on republic television, it was hard for us to ignore these reports. Our supporters suggested that all forces be taken to the border and strategically important crossings mined. The fact that I did not do this saved Adzharia from being involved in the war.

[Boguslavskaya] Your initiative for a meeting in Batumi between the leaders of Abkhazia and Georgia to find a peaceful settlement to the conflict did not win support in Tbilisi although Ardzinba was willing for talks. Did you succeed in persuading the Abkhazian leader by offering your family and your self personally as hostages to guarantee his safety?

[Abashidze] It was not quite like that. I did not offer myself as a hostage, I asked Mr. Ardzinba to speak and had to ensure his safety in Batumi.

In order to influence events a politician does not only need an in-depth knowledge of the problem but also of the opposing side's leaders, and he must also be an indisputable authority for them. Or he should possess powerful levers for pressure on both sides. Only then does a mediator have a chance of finding ways of getting a solution acceptable to both sides. I had neither, I was not even personally acquainted with Ardzinba.

Nonetheless we spoke over the VHF radio link. Mr Ardzinba talked about the state of affairs and said that he was willing to have talks if the troops were removed from Abkhazia before the meeting. I informed him when Tbilisi rejected this condition.

[Boguslavskaya] The war was already under way.... What were you hoping for when you undertook your mediation mission, someone's good will?

[Abashidze] I did not lose hope once my mission failed. My hopes even grew stronger. With my experience of leading an autonomous republic and working at both central and regional levels I am aware of all the reasons for and nuances in the confrontation between an autonomous formation and the center.... What is more, it was after all the very start of the war, when the hatred of one another born of tremendous casualties and the devastation of fierce confrontation had not built up. It was not the people—either in Georgia or Abkhazia—who started this senseless war, that is why a truce at this sage would have met with most extensive support from people.

[Boguslavskaya] However, was Ardzinba not in an extremely negative frame of mind, as many people thought, regarding the Georgia leadership? Is compromise possible in conditions where leaders, unlike their peoples, are irreconcilable?

[Abashidze] A little later in Moscow I met with a well-known representative of business circles. We spoke of cooperation, but the question got bogged down in the problem of freight shipments, since the railroad through Abkhazia was closed. The person assured me that this was a complex problem, but could be resolved. It turned out that he was well acquainted with Mr. Ardzinba. He did not confirm the report of his intransigence and endeavor to separate Abkhazia from Georgia. To be frank, I thought that unlikely against the backdrop of the war. I was asked to organize a meeting with him and I agreed.

We had two conversations. We talked not about freight shipments but solely of the Georgian-Abkhazian conflict in a frank and open manner. This gave me an opportunity to understand the general mood of the Abkhazian people and their leadership and their leader's personal position, which was very important for the future.

[Boguslavskaya] You probaly also discussed the problem of autonomous formations within a state, and their rights and functions?

[Abashidze] Mr. Ardzinba categorically rejected the suggestion that he was trying to separate Abkhazia from Georgia. It seemed to me that the question of the possibility of the forcible eviction of Georgians simply offended him. But then events had not yet taken on a tragic hue.

He did indeed blame the Georgian leadership in extremely categorical terms for their decision to bring in the troops. I could not argue with him and attribute this decision to mistakes by the Abkhazian leadership itself. I rather agreed with him. Our leaders were after all uncompromising too; they were responsible for turning an internal political problem into a bitter military conflict. The main thing as far I was concerned was that Ardzinba was at that time willing to settle the question of the demarcation of functions between the center and the autonomous formation via talks.

[Boguslavskaya] Why did that not happen?

[Abashidze] I will let you draw your own conclusions.... On my return I immediately asked the Georgian leadership to take charge of talks with Abkhazia. But once again I failed to meet with support. We missed an opportunity to settle the internal problems "within the family" of a single state. It became incomparably harder to find a common language from the moment that the talks shifted to another higher plane, to the international level. I am not belittling the the significance of the talks at the highest level but, like it or not, they increased the alienation factor and that makes mutual understanding harder.

[Boguslavskaya] A very difficult problem which arises as a result of such conflicts is the exchange or return of prisoners. We know this from Afghanistan, we can see it in Yugoslavia. Here too this question has been examined repeatedly, including in Geneva, without any particular success, however. Did you manage to extricate the prisoners that the Abkhazian leadership handed over without any conditions? Was a lot of work required, talks with Ardzinba?

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[Abashidze] No, I had no more contacts with Mr. Ardzinba. Many people, including people from Russia, asked the Supreme Council Presidium and myself personally to help hunt for their relatives. I tried to telephone him, but was not connected. Then we sent a delegation to Sukhumi. A special flight landed in Sochi instead of Sukhumi and from there Russian border guards helped telephone the Abkhazian leadership. On learning of the purpose of the visit, the Abkhazians dispatched automobiles to Sochi and welcomed the delegation.

A few days later 49 people were handed over to us without any conditions. None of them were from Adzharia.

[Boguslavskaya] The intoduction of Russian peacekeeping forces in Abkhazia in accordance with the quadripartite treaty elicited a contradictory response, particularly in Georgia and in Russia too. How do you personally assess their role in settling the Abkhazian conflict? And what is your predictions for the future?

[Abashidze] I am convinced that the introduction of the Russian peacekeeping forces represents the only real opportunity of settling the conflict. And that is why I was one of the first people to officially support it. However at the same time I pointed out the need to observe all precautions in order to prevent acts of provocation, which would be used by certain forces to drag out a solution. To this end it would be desirable to liberate as much of the territory adjoining the Russian peacekeeping forces' operating zone from other forces. I am also convinced of the need to check as far as possible the refugees' understandable desire to speed up their return to their native areas. Otherwise the fulfillment of the mission will not only be delayed but may also lead to fresh deadlock.

As for making predicisions, I am confident tha the conflict will be resolved peacefully. However, it is primarily necessary to determine the satus of the Abkhazian Autonomous Republic in order to achieve this. And that must be done on the basis of international experience.

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Latvia

Parliament Passes Bill on Russian Withdrawal

LD2010143894 Riga Radio Riga Network in Latvian 1400 GMT 20 Oct 94

[FBIS Translated Text] A moment ago in the Saeima, members of parliament passed in the first reading a draft law on the Latvian-Russian agreements on army withdrawal. We call to mind that the Latvia-Russian agreements and the additional protocol on army withdrawal were signed in Moscow on 30 April this year. The Russian Duma is planning to consider the issue of ratification of the agreements at the end of October.

Supports 'Concept'

LD2010164794 Riga Radio Riga Network in Latvian 1606 GMT 20 Oct 94

[FBIS Translated Text] Today the Saeima gave its support to the concept [konceptuali] of the ratification of the Latvian-Russian treaty. There were 56 voting in favor of this treaty, with 14 voting against and eight deputies abstaining. The "For the Fatherland and Freedom" faction did not take part in the vote. The Latvian National Independence Movement, the Latvian Christian Democratic Union, and the Latvian Peasants' Union did not support the ratification at its first reading. The Russian Duma plans to debate the issue of ratifying the treaty at the end of October.

List of Former Russian Servicemen Requested

LD2010113894 Riga Radio Riga Network in Latvian 1000 GMT 20 Oct 94

[FBIS Translated Text] Ilgonis Upmanlis, head of the bureau for monitoring the Russian Army withdrawal, believes the Latvian Government and the Saeima cannot make a decision on the Russian military who have been discharged in Latvia since 28 January 1992, because Russia has not yet submitted a correct list of these persons. It is impossible to grant them temporary residence permits (?or) make another decision on this issue, because their total number is not known. Approximately three months have passed since the bureau requested that the Russian Embassy's department of social security for the discharged military submit such a list. However, the list has not yet been submitted. The department of social security has asked the bureau to grant residence permits to additional military members and their families who are not listed.

The bureau currently has at its disposal information about 1,988 military personnel discharged in Latvia after 28 January 1992. The previously mentioned persons and members of their families remain in Latvia in breach of the Latvian-Russian agreements on army withdrawal signed in Moscow on 30 April.

NATO Commander, Birkavs Discuss Peace Program

WS2010135594 Tallinn BNS in English 1726 GMT 19 Oct 94

[FBIS Transcribed Text] Riga, Oct 19, BNS—Commander in Chief of Allied Forces Northwestern Europe Richard Johns met Thursday with Latvian Foreign Minister Valdis Birkavs, and he said that Latvia's active joining to implementation of the Partnership for Peace program would promote closer cooperation between Latvia and NATO, Latvian Foreign Ministry's Press Center official told BNS.

During the meeting, Johns and Birkavs agreed that training of the National Armed Forces and the formation of the Baltic Peacekeeping Battalion will also promote rapprochement of the NATO and the Baltic military structures.

When discussing concrete cooperation, Johns noted that the Baltic peacekeeping Battalion together with the NATO countries' military units could take part in peacekeeping operations as well as in rescue and salvage operations in case of nature catastrophies.

Birkavs told Johns about Latvia's attitude toward security issues in the Baltic region after the withdrawal of Russian troops.

Johns noted that establishing of personal contacts with the representatives of Latvia's military and political structures will also promote the implementation of a concrete cooperation project between Latvia and NATO.

Official Says Receipt of Japanese Loan in Doubt

WS2010141794 Tallinn BNS in English 1427 GMT 19 Oct 94

[FBIS Transcribed Text] Riga, Oct 19, BNS—Latvia may fail to receive a desired loan from the Japanese Import and Export Bank unless the process of reception is speeded, Economics Ministry senior official Dairis Calitis told BNS.

The receipt is dragged on by slow performance of the World Bank crediting rules. Latvian firms must hand in technical specifications of equipment they want to obtain to enable their foreign partners to supply it.

Under the crediting agreement, the Japanese Export and Import Bank extends Latvia 35 million U.S. dollars, from which 25 million dollars are given to the Latvijas Gas enterprise to account with Russia for supplied natural gas.

A respective government commission is scheduled to consider the extension of another 4 million U.S. dollars to sponsor projects of 12 timber processors.

Calitis claims that the commission has already approved the mentioned projects but the processors cannot receive

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the credits because of the delayed purchase of the credit. Eight million dollars of the credit have not been distributed yet.

The commission proposes that the government divided the remaining sum without guarantees of commercial banks but relayed on detailed study of recipients business plans.

The credit could be channelled to the Latvian Investment Bank for servicing, the commission said.

Lithuania

Prime Minister Expects IMF Credit Grant

LD2110091694 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 20 Oct 94

[FBIS Translated Text] The most important problems of economic and political life were discussed at a news conference today by Prime Minister Adolfas Slezevicius. He singled out as the most important event a meeting of the IMF Council of Directors that is to take place next Monday. A memorandum on Lithuania's economic policy for the next three years will be examined at the meeting.

If the Council of Directors signs the memorandum, and the Lithuanian prime minister does not see any obstacles to this, Lithuania will be granted a credit in the sum of $220 million.

The first $32 million will be transferred to the account of the Republic two days after the signing of the memorandum. From this sum, $16 million will be allocated toward setting up a liquid reserve at the commercial banks—to put it simply, for the stabilization of the litas. The sum of this reserve is approaching $600 million. The other $16 million from the IMF credit will be used to pay debts for atomic fuel.

About 70 Percent of Imports Sold on Black Market

LD2010164194 Vilnius Radio Vilnius Network in Lithuanian 1500 GMT 20 Oct 94

[FBIS Translated Excerpt] The National Commodity Exchange expressed its concern that more than half of materials, raw materials, and goods imported from the CIS countries or manufactured locally in large quantities are sold without stock-taking or taxation.

ELTA reported that an official letter was presented to Prime Minister Adolfas Slezevicius and to the Trade and Finance Ministries by the above commodity exchange.

The letter signed by (Vytautas Bajorunas), president of the National Commodity Exchange Association, maintains that during the last 2-3 years the black market for materials and raw materials has emerged in Lithuania where trade deals are made quite often for cash, especially in U.S. dollars. These operations are clandestine and not reported to the state.

According to the results of observation by the National Commodity Exchange, about 60-70 percent of metal, oil products, timber, and raw materials for industries of building materials, chemistry, machine building, light industry, and food processing industry are sold on the black market.

As a result of the prosperity of the black market, about 50 percent of potential revenue does not reach the Lithuanian state budget, the letter says. Besides, currently the above goods are being sold on the domestic market in large quantities from the custom houses storage accommodation without applying VAT because goods imported into customs house storage rooms are exempt from VAT. [passage omitted]

CE Head Visits, Sees Membership Next Year

WS2010135494 Vilnius ELTA in English 1849 GMT 19 Oct 94

[From "News Bulletin" No. 612]

[FBIS Transcribed Text] Vilnius, October 19, ELTA—President Algirdas Brazauskas received EC [Council of Europe] Secretary General Daniel Tarschys visiting Lithuania at the invitation of Brazauskas.

Coming to Lithuania again, Tarschys said he got sight of a progress made in different spheres of state and social life. He expressed satisfaction that Lithuania took an active part in activities of European Council and Europarliament.

Brazauskas told him about the political and economic situation, the approved and being prepared laws strengthening democracy in Lithuania. The drafts are coordinated with EC experts. He expressed gratitude to them for their assistance.

Tarschys said that some Lithuanian legal acts could be among the goods to be exported to the neighboring countries going along the road of democratic reforms. He said he believed that Latvia could be accepted to EC at the beginning of the next year.

Brazauskas said this was very important for Lithuania, thus, Lithuanians supported acceptance of Latvia by all possible means.

Replying to the information given by Brazauskas about cooperation of Lithuania with its neigbours, ratified treaty with Poland and issues of Russian military transit via Lithuania, Tarschys noted that borders of European states should become more permeable in the future, together with sovereignty of each country to be respected.

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